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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.

COMPANY INFORMATION

BOARD OF DIRECTORS:

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

AUDIT COMMITTEE:

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

CHIEF FINANCIAL OFFICER

Mr. Ashfaq Abdul Gaffar FCA

COMPANY SECRETARY:

Mr. Muhammad Ali Adil

BANKERS:

Askari Bank Limited
Habib Bank Limited
Allied Bank Limited
JS Bank Limited
RBS Limited

AUDITORS:

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. C/o Haidri Beverages (Pvt.) Ltd, Kahota Triangle Estate, Islamabad
   Phone: (051) 5595165 Email: headoffice@ecopack.com.pk

REGISTERED & CORPORATE OFFICE:

Suite # 206, Second Floor,The Plaza, Kehkshan
Clifton, Block 9, Karachi
Phone: (021) 35361231-6 Fax: (021) 35361242
Email: headoffice@ecopack.com.pk Web: www.ecopack.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 18th Annual General Meeting of Ecopack Limited will be held on Thursday October 29, 2009 at 8:00 P.M. at "ICAP Auditorium, Ground Floor, ***ICAP House, Chartered Accountant Avenue, Clifton, Karachi*"**, to transact the following business:

Ordinary Business

1. To confirm the minutes of the 17th Annual General Meeting held on October 31, 2008.

2. To receive and adopt the Directors' and Auditors' report together-with Audited Accounts of the company for the year ended June 30, 2009.

3. To appoint external auditors for the year ending June 30, 2010 and to fix their remuneration. The present auditors M/s. Rahman Sarfraz Rahim Iqbal Rafiq, Chartered Accountants being eligible offer themselves for reappointment.

4. To consider any other business of the company with the permission of the chair.

By order of the Board

Karachi,
Dated: October 06, 2009

MUHAMMAD ALI ADIL
(Company Secretary)

Note:

1. The register of members will remain closed from October 16, 2009 to October 29, 2009. (both days inclusive).

2. A member eligible to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote instead of him. Proxy form duly completed and signed must be deposited with the company secretary at the registered office at least 48 hours before the meeting.

   CDC account holders will further have to follow the guideline mentioned below as laid down in Circular No. 1 of 2001 dated January 2000 issued by the Securities & Exchange Commission of Pakistan

2.1. For attending the Meeting.

a. In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations shall authenticate his/her identity by showing his/her national Identity card (NIC) or original passport at the time of attending the meeting.

b. In case of a corporate entity the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

2.2. For appointing proxies.

a. In case of individuals, the account holder or sub account holder and/or the person whose securities are in group account and their registration details are uploaded as per regulations shall submit the proxy form as per requirement.

b. The proxy form shall be witnessed by two persons whose name, address and new NIC number are mentioned on the form.

c. Attested copies of NIC or passport of the beneficial owner and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his/her original NIC or original passport at the time of the meeting.

e. In case of corporate entity the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with the proxy form of the Company.

3. Change of address, if any, should be notified to the Company immediately.

DIRECTORS' REPORT

The Board of Directors of Ecopack Limited is pleased to present its' report for the financial year ended 30th June 2009:

Overview :

The financial year 2008 – 09 began with worldwide economic turbulence on the back of a deepening and unprecedented global financial crisis and historically high crude oil prices reaching a peak of US$ 147 per barrel in July 2008. In conjunction with sky-rocketing financial charges (6-months KIBOR @16% p.a.) and the wide ranging impact of high crude oil prices driving the cost of electricity, transportation (truck-freight rates) and the company's main raw material, PET Resin, the inflationary cost push became an uphill task for the company's customers to absorb. This slowed down their anticipated growth rate.

As soon as your company's management geared itself to meet the prevailing challenges by (i) passing on the spiraling costs through an automatically adjusting "resin pass-through' mechanism and (ii) aggressive Bottle & Preform sales to absorb its fixed costs in the first quarter of the new financial year, the onset of severe recession in the developed western economies caused a sudden drop in international oil prices to below US$ 40 per barrel. This caused the company a substantial inventory loss as PET Resin prices fell from over PKR 120/kg to under PKR 80/kg within a span of less than two months (September/October ' 09). Thus the company was constrained to suffer considerable inventory losses as expensive products were sold at rapidly declining raw material prices.

Sales :

Widespread and severe inflationary pressures combined with acute load-shedding of electricity (upto 8 hours/day) in industrial areas and a rapidly depreciating Pak Rupee viz foreign currencies, compelled the soft drink industry (Coke, Pepsi & other Beverage customers) to increase the retail prices of their products by almost 20 percent across the board. Despite ensuing slow down due to increasing financial strain on consumers, your company maintained marginal growth in bottle sales over the preceding year, however, Preform sales declined by almost ten percent over the same period. While Preform exports grew substantially this year, expensive inventory costs and high financial charges remained burdensome throughout the financial year.

Financial Highlights :

Gross Profit margin increased by rupees 39 million as compared to last year, registering a growth of 26%. Total Gross Profit for the year stood at rupees 187. 68 million which as a percentage of Net Sales is 10.6%; in comparison, last years Gross Profit was rupees 148.67 million, which was 8.4% of the Net Sales. Profit from operations for the year was rupees 89.6 million, as compared to rupees 71. 2 million last year, registering a growth of 26%. After Tax Loss for the year stood at rupees 85.6 million, as compared to rupees 79.4 million last year.

During the year, the Financial Charges, due to the high KIBOR prevailing during the year, rose significantly, and closed at rupees 195.4 million registering an increase of 37% over last year. Financial Charges last year were at rupees 142.2 million.

Loss per share during year is rupees 3.72 (2008: rupees 3.45)

Future Outlook :

With bank financial charges firmly in decline (6 months KIBOR @ less than 12.65%) and crude oil prices stable under US$ 70 per barrel, an improved economic scenario can be envisaged for the new financial year. The beverage industry's growth expectation is at around 20 percent for next year as the consumer resistance to increased prices abates. This is a good sign for the PET Bottle & Preform vendor industry. Moreover, the 300 ml single serve bottle has also been launched in PET this year, which will further galvanize high growth rates for PET packs in the beverage sector as it begins to replace the highest selling 250 ml returnable glass bottle.

With the Resin price adjustment mechanism effectively in place now and the recent absorption of costs in selling price, alongwith efficient inventory management, your company is determined to substantially reduce the financial costs it previously incurred. The continuing emphasis on consistent high quality of product, reliability of timely supply and competitively responsible product pricing make your company a leading partner for the growth driven carbonated beverages and liquid packaging industry. This format combined with sincere all round efforts by your company's management and the blessings of the Almighty will ensure our return to profitability in the new financial year.

For & on the behalf of the Board of Directors

Karachi,
Dated: October 06, 2009

Hussain Jamil
(Chief Executive Officer)

Annexure 'A'

ATTACHMENT TO THE DIRECTORS REPORT

TO ALL MEMBERS OF THE COMPANY

Dear Sir / Madam,

ABSTRACT OF THE TERMS OF APPOINTMENT/VARIATION UNDER SECTION 218 OF THE COMPANIES ORDINANCE 1984

In pursuance of section 218 of the Companies Ordinance 1984, this is to inform you that the Board of Directors of the Company in their meeting held on October 06, 2009 has approved an increase in remuneration of Mr. Hussain Jamil (Chief Executive Officer) and approved terms and conditions of Syed Sohail Raza Zaidi (working Director) as follows:

Remuneration of Mr. Hussain Jamil (Chief executive Officer) will be as follows with effect from 01 July 2009:-

Basic salary	Rs. 570,648
House rent allowance	Rs. 43,143
Utility	Rs. 57,088
Total	Rs. 670,879

In addition to the above, all other benefits would be increased by 18% of the prevailing amounts as per Company policy.

Remuneration of Syed Sohail Raza Zaidi (Director) will be as follows with effect from 01 April 2009:-

Basic salary	Rs. 225,806
House rent allowance	Rs. 101,613
Utility	Rs. 22,581
Total	Rs. 350,000

The remaining terms and conditions of his employment are the standard terms applicable to executive employees of the Company.

MEMORANDUM UNDER SECTION 218 OF THE COMPANIES ORDINANCE 1984

Both the above named directors were interested in the above mentioned resolutions and did not take part in the discussion of or vote on any of the resolutions dealing with their employment. [In addition, in the case of Mr Hussain Jamil, his wife, Mrs. Deborah Jamil who is also a director, also did not participate in the discussion of or vote on the resolution in respect of variation of his remuneration.]

Yours faithfully,

Muhammed Ali Adil
Company Secretary

SIX YEARS AT A GLANCE

Annexure 'B'

Rupees in '000'

	2009	2008	2007	2006	2005	2004
Profit & Loss:						
Sales	1,764,852	1,763,546	1,262,124	1,162,567	751,188	442,919
Cost of sales	1,577,168	1,614,878	1,061,395	920,083	595,997	332,393
Gross Profit	187,683	148,668	200,729	242,484	155,191	110,526
Operating expenses	104,420	106,605	93,854	93,235	64,503	44,634
Operatig profit	83,263	71,165	106,875	149,248	90,688	65,893
Other income/ (charges)	6,293	29,103	9,315	(803)	(2,006)	(2,139)
Financial charges	195,368	142,238	107,182	57,373	32,604	19,502
Profit / (Loss) before taxation	(105,812)	(71,071)	8,558	86,519	53,275	42,040
Unusual item	-	-	-	-	-	21,473
Taxation	-	13,598	8,324	16,150	25,667	5,351
Profit / (Loss) after taxation	(85,621)	(84,669)	234	70,369	27,607	58,162
Dividend	-	-	-	-	-	5,709
Bonus shares	-	-	-	6,565	21,407	28,543
Balance Sheet						
Shareholder's equity	180,124	255,591	325,162	309,820	212,434	121,241
Surplus on Revaluation of Fixed Assests	213,329	82,691	92,503	102,324	124,957	129,181
Financing facilities	872,476	577,544	558,662	334,361	269,381	242,525
Fixed assets (net of depreciation)	1,278,115	1,078,169	939,986	824,126	571,995	476,635
Current Assets	572,711	699,565	716,978	468,126	329,387	184,986
Current Liability	868,062	782,917	714,666	465,703	329,210	179,154
Key Financial Ratios:						
Gross profit	11%	8%	16%	21%	21%	25%
Operating profit	6%	2%	8%	13%	12%	15%
Profit before tax to net sales	-6%	-4%	1%	7%	7%	9%
Return on capital employed	-8%	-8%	1%	12%	9%	8%
Inventory turnover (times)	7.61	5	3	5	8	7
Fixed assets turnover (times)	1.39	1.64	1.34	1.41	1.31	0.93
Debt equity ratio	52:48	63 : 37	57 : 43	45 : 55	44 : 56	49 : 51
Current ratio	0.66	0.89	1.00	1.01	1.00	1.03
Earnings per share	(3.72)	(3.45)	0.01	3.06	2.15	5.11

"Annexure C" To The Directors' Report for the Year Ended June 30, 2009:

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 a 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 has attached with the Directors' report.

9. The Company has declared has not declared any cash dividend (2008 - NIL) or bonus shares (2008 - 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 a sum of Rs. 6.4 million is 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 that.

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

Name of Director	No. of Meeting 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	05
Syed Sohail Raza Zaidi	01

13. Trading of shares by Directors & Financial Controller/Secretary of the Company during the year 2008-09 is as under:

Name	Designation	No. of Shares Acquired/ (Sold)
Mr. Hussain Jamil	Chief Executive Officer	Nil
Mr. Ahsan Jamil	Director	Nil
Mr. Shahid Jamil	Director	Nil
Mrs. Deborah Jamil	Director	(216,500)
Mrs. Ayesha Khan	Director	Nil
Mr. Asad Ali Sheikh	Director	Nil
Mr. Ali Jamil	Director	Nil
Mr. Sohail Raza Zaidi	Director	500

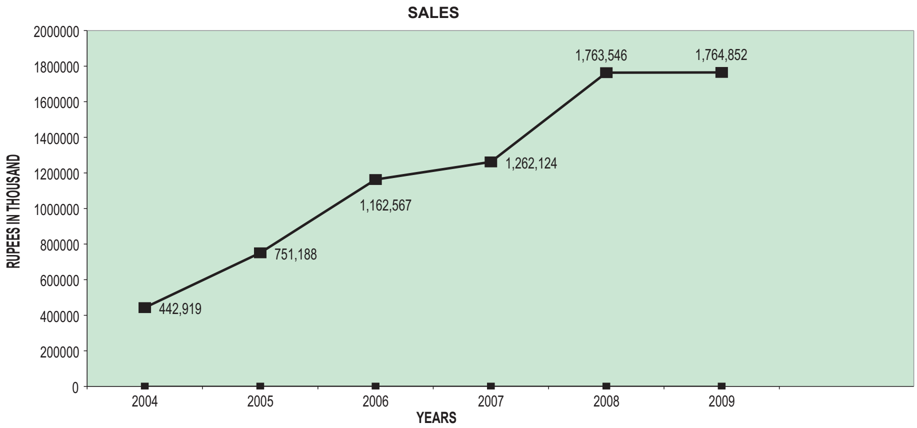
AUDITORS:

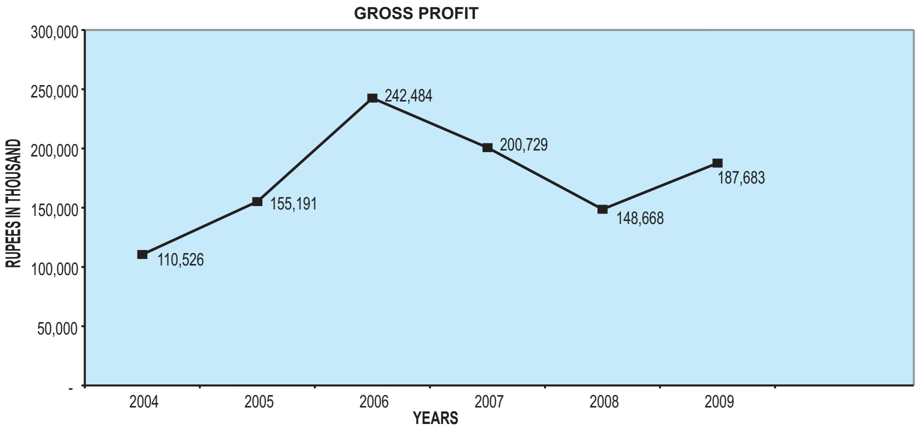
The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountant, retire and being eligible have offered themselves for re-appointment for the financial year 2009-2010.

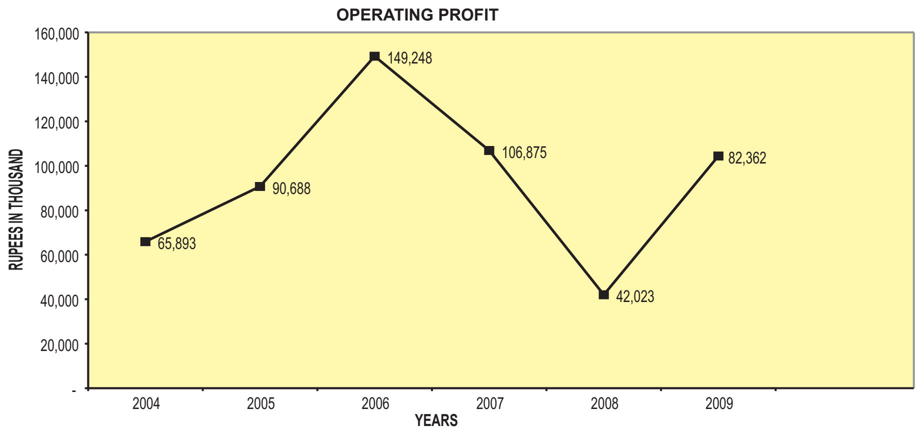
For & on behalf of the Board of Directors

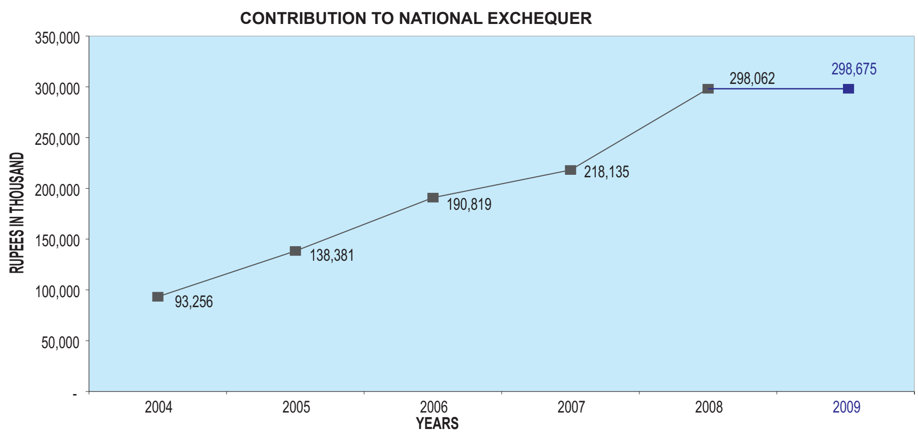
HUSSAIN JAMIL
Chief Executive Officer)

Karachi,
Dated: October 6, 2009


SALES
RUPEES IN THOUSAND
2000000
1800000
1600000
1400000
1200000
1000000
800000
600000
400000
200000
0
442,919
751,188
1,162,567
1,262,124
1,763,546
1,764,852
2004
2005
2006
2007
2008
2009
YEARS


GROSS PROFIT
RUPEES IN THOUSAND
300,000
250,000
200,000
150,000
100,000
50,000
-
110,526
155,191
242,484
200,729
148,668
187,683
2004
2005
2006
2007
2008
2009
YEARS


OPERATING PROFIT
RUPEES IN THOUSAND
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
65,893
90,688
149,248
106,875
42,023
82,362
2004
2005
2006
2007
2008
2009
YEARS


CONTRIBUTION TO NATIONAL EXCHEQUER
RUPEES IN THOUSAND
350,000
300,000
250,000
200,000
150,000
100,000
50,000
-
93,256
138,381
190,819
218,135
298,062
298,675
2004
2005
2006
2007
2008
2009
YEARS

PATTERN OF SHAREHOLDING (Form 34)
THE COMPANIES ORDINANCE 1984
As At June 30, 2009

Serial No	No. of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage
1	401	1	100	17,518	0.08%
2	962	101	500	259,352	1.13%
3	448	501	1,000	378,658	1.65%
4	766	1,001	5,000	1,708,181	7.43%
5	120	5,001	10,000	891,994	3.88%
6	29	10,001	15,000	364,727	1.59%
7	21	15,001	20,000	368,499	1.60%
8	9	20,001	25,000	205,512	0.89%
9	7	25,001	30,000	187,141	0.81%
10	6	30,001	35,000	164,503	0.72%
11	2	35,001	40,000	74,315	0.32%
12	8	40,001	45,000	342,624	1.49%
13	3	45,001	50,000	150,000	0.65%
14	1	50,001	55,000	52,381	0.23%
15	4	60,001	65,000	246,850	1.07%
16	1	65,001	70,000	67,500	0.29%
17	1	70,001	75,000	75,000	0.33%
18	1	75,001	80,000	80,000	0.35%
19	1	80,001	85,000	85,000	0.37%
20	2	85,001	90,000	174,024	0.76%
21	2	95,001	100,000	200,000	0.87%
22	3	105,001	110,000	326,500	1.42%
23	1	155,001	160,000	156,941	0.68%
24	1	200,001	205,000	202,500	0.88%
25	1	220,001	225,000	225,000	0.98%
26	1	230,001	235,000	233,610	1.02%
27	1	255,001	260,000	259,541	1.13%
28	1	280,001	285,000	282,500	1.23%
29	1	300,001	305,000	305,000	1.33%
30	1	310,001	315,000	314,500	1.37%
31	1	385,001	390,000	389,168	1.69%
32	1	515,001	520,000	515,700	2.24%
33	1	545,001	550,000	549,910	2.39%
34	1	615,001	620,000	620,000	2.70%
35	1	795,001	800,000	797,610	3.47%
36	1	810,001	815,000	810,782	3.53%
37	1	1,430,001	1,435,000	1,432,635	6.24%
38	2	1,975,000	2,075,500	2,074,500	9.03%
39	1	3,385,001	3,390,000	3,386,793	14.74%
40	1	3,995,001	4,000,000	4,000,000	17.41%
	2,817	Total Shares Held		22,976,969	100%

Categories of Shareholders

S.No	Name	Number of shareholders	Total Shares Held	Percentage
1	Associated Companies, undertaking and related parties		NIL	0.000%
2	Banks Development Financial Institutions, Non Banking Financial Institutions.			
	The Bank of Khyber	1	515,700	2.244%
	Bank Alfalah Limited	1	18,074	0.079%
	Escorts Investment Bank Limited	1	22,500	0.098%
	Samba Bank Limited	1	549,910	2.393%
	National Development Fin. Corp. Investor	1	7,037	0.031%
	Total:	5	1,113,221	4.845%
3	Insurance Companies			
	State Life Insurance Corporation of Pakistan	1	810,782	3.529%
	Total:	1	810,782	3.529%
4	Directors, Chief Executive Officer, and their Spouse and Minor Children			
	Hussain Jamil	1	4,000,000	17.409%
	Shahid Jamil	1	798,110	3.474%
	Ayesha Noora Khan	1	671,668	2.923%
	Deborah Jamil	1	270,052	1.175%
	Ahsan Jamil	1	3,386,793	14.740%
	Asad Ali Shaikh	1	500	0.002%
	Syed Sohail Raza Zaidi	1	500	0.002%
	Total:	7	9,127,623	39.725%
5	Modarabas and Mutual Funds			
	CDC - Trustee First Dawood Mutual Fund	1	1,432,635	6.235%
	CDC - Trustee Alfalah GHP Value Fund	1	620,000	2.698%
	First Prudential Modaraba	1	26,000	0.113%
	First Pak Modaraba	1	20,130	0.088%
	Prudential Stock Fund Ltd.	1	11,865	0.052%
	CDC - Trustee KASB Stock Market Fund	1	2,074,500	9.029%
	Total:	6	4,185,130	18.214%
6	NIT and ICP			
	National Bank of Pakistan	1	240	0.001%
	IDBP (ICP Units)	1	938	0.004%
	Investment Corporation of Pakistan	1	95	0.000%
	Total:	3	1,273	0.006%
7	Foreign Investors			
	Habibsons Bank Ltd - Client Account	1	110,000	0.479%
	M/S Somers Nominee (Far East) Limited	1	6,241	0.027%
	Total:	2	116,241	0.506%

S.No	Name	Number of shareholders	Total Shares Held	Percentage
8	Others			
	Prudential Securities Limited	1	607	0.003%
	Islamabad Stock Exchange (G) Limited	1	121	0.001%
	Moosani Securities (PVT) LTD.	1	5,220	0.023%
	Y.S. Securities & Services (PVT) LTD.	1	1,207	0.005%
	Trustees Glaxo Welcome Pak LTD. Senior	1	60,500	0.263%
	Darson Securities (PVT) LTD.	1	34,003	0.148%
	ACE Securities (PVT) LTD.	1	61,750	0.269%
	Highlink Capital (PVT) LTD.	1	2,036	0.009%
	Excel Securities (PVT) LTD.	1	1,000	0.004%
	Azee Securities (PVT) LTD.	1	25,311	0.110%
	Mazhar Hussain Securities (PVT) LTD.	1	7,000	0.030%
	Sat Securities (PVT) LTD.	1	1,000	0.004%
	Dosslani's Securities (PVT) LTD.	1	13,270	0.058%
	Capital Vision Securities (PVT) LTD.	1	5,546	0.024%
	Time Securities (PVT) LTD.	1	1,016	0.004%
	H.S.Z. Securities (PVT) LTD.	1	1,000	0.004%
	General Invest & Securities (PVT) LTD.	1	1,500	0.007%
	Abbasi Securities (PVT) LTD.	1	89,000	0.387%
	Clicktrade Limited	1	4,900	0.021%
	Ismail Iqbal Securities (PVT) LTD.	1	5,500	0.024%
	Al-Asar Securities (PVT) LTD.	1	160	0.001%
	Hum Securities Limited	1	34,500	0.150%
	AWJ Securities (SMC-Private) LTD.	1	1,200	0.005%
	HK Securities (PVT) LTD.	1	1,040	0.005%
	Muhammad Ahmed Nadeem Securities (SMC-PVT) LTD.	1	505	0.005%
	MAM Securities (PVT) LTD.	1	99	0.002%
	Dr. Arsalan Razaque Securities (SMC-PVT) LTD.	1	1,073	0.000%
	Value Stock Securities Private Limited	1	6,200	0.005%
	Stock Master Securities (PVT) LTD.	1	2,000	0.009%
	Msmaniar Financials (PVT) LTD.	1	6,465	0.028%
	Ghani OsmanSecurities (PVT) LTD.	1	2,291	0.010%
	Durvesh Securities (PVT) LTD.	1	21,257	0.093%
	S.Z. Securities (PVT) Limited	1	700	0.003%
	MC FSL Trustee Alfalah GHP Principal PRO	1	225,000	0.979%
	Alpha Beta Capital Markets (PVT) LTD.	1	75,000	0.326%
	Company Secretary	1	964	0.004%
	M/s. Freedom Enterprises (PVT) LTD	1	2,518	0.011%
	Total:	37	702,459	3.057%
9	Individual	2756	6,920,240	30.118%
	Grand Total:	2817	22,976,969	100%
	Share holding 10% or more voting interest			
	Hussain Jamil	1	4,000,000	17.409%
	Ahsan Jamil	1	3,386,793	14.740%
	Total	2	7,386,793	32.149%

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

For the year ended June 30, 2009

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 a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes five 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. The casual vacancy occurred in the Board as a result of resignation by director was filled up by the director expeditiously as per clause vi of Code of Corporate Governance.

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, of whom two are non-executive directors

16. The terms of reference of audit committee has been formed and duly approved by the board and advise to the committee for compliance.

17. 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.

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. The related party transactions have been placed before the audit committee and approved by the Board of Directors to comply with the requirements of listing regulation number 37 of the Karachi Stock Exchange (Guarantee) Limited.

22. We confirm that all material principles contained in the Code have been complied with.

Karachi,
Dated: October 06, 2009

HUSSAIN JAMIL
(Chief Executive Officer)

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 ("the Company"), to comply with the Listing Regulations of the Karachi Stock Exchange (Guarantee) Limited, 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 on effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (xiii) of Listing Regulations 37 notified by the Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated 19 January 2009 requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism.

Further/ all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 to the Company for the year ended June 30, 2009.

Karachi,
Dated: October 06, 2009

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Ecopack Limited ("the company") as at June 30, 2009, 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, 2009, and of the Loss, 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).

Muhammad Rafiq Dossani

Karachi,
Dated: October 06, 2009

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants

BALANCE SHEET
AS AT JUNE 30, 2009

	NOTE	JUNE 2009	JUNE 2008
		(Rupees '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,271,094	1,086,225
Long term deposits	5	7,022	9,764
		1,278,116	1,095,989
CURRENT ASSETS			
Stores, spares and loose tools	6	54,859	47,559
Stock in trade	7	231,836	319,679
Trade debts	8	221,211	252,806
Loans and advances	9	16,241	2,980
Short term deposits & prepayments	10	5,075	1,929
Other receivables	11	4,959	11,157
Advance tax		37,713	27,152
Cash and bank balances	12	817	36,304
		572,711	699,565
TOTAL ASSETS		1,850,827	1,795,554
SHARE CAPITAL AND RESERVES			
Authorized			
50,000,000 ordinary shares of Rs.10 each		500,000	500,000
Issued, subscribed and paid-up capital	13	229,770	229,770
(Accumulated loss)/Unappropriated Profit		(49,646)	25,820
		180,124	255,590
Surplus on revaluation of fixed assets	14	213,329	82,689
NON-CURRENT LIABILITIES			
Long term financing	15	407,807	542,634
Liabilities against assets subject to finance lease	16	25,206	34,910
Long term payables		5,192	-
Deferred liabilities	17	151,106	96,812
		589,312	674,357
CURRENT LIABILITIES			
Trade and other payables	18	376,442	326,776
Interest and mark-up accrued	19	32,591	25,487
Short term borrowings	20	333,956	199,852
Current portion of long term financing	21	100,315	206,044
Taxation		24,758	24,759
		868,062	782,918
TOTAL EQUITY AND LIABILITIES		1,850,827	1,795,554
CONTINGENCIES AND COMMITMENTS	22		-

The annexed notes 1 to 43 form an integral part of these financial statements.

Hussain Jamil Chief Executive Officer	Ahsan Jamil Director

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

	NOTE	JUNE 2009	JUNE 2008
		(Rupees '000)	
			Restated
Sales-net	23	1,764,852	1,763,546
Cost of sales	24	(1,577,169)	(1,614,878)
Gross profit		187,683	148,668
Distribution cost	25	(62,762)	(62,547)
Administrative expenses	26	(41,659)	(44,058)
Other operating income/(cost)	27	6,293	29,102
		(98,128)	(77,503)
Profit from operation		89,555	71,165
Finance cost	28	(195,368)	(142,238)
Net loss before taxation		(105,812)	(71,071)
Provision for taxation	29	20,192	(8,316)
Net loss after taxation		(85,621)	(79,387)
Loss per share - basic and diluted (Rupees)	30	(3.72)	(3.45)

The annexed notes 1 to 43 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, 2009

	NOTE	JUNE 2009	JUNE 2008
		------------ (Rupees '000) ------------	
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated From operations	31	334,467	177,144
Finance cost paid		(187,976)	(142,979)
Gratuity paid		(8,873)	(5,358)
WPPF paid		(3)	(90)
Taxes paid		(10,562)	(7,049)
Net cash flow from operating activities		127,053	21,668
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(44,098)	(217,229)
Capital work-in-progress		(3,614)	113,352
Proceeds from disposal of fixed assets		1,552	1,427
Long term security deposits		(225)	(1,388)
Net cash outflow from investing activities		(46,385)	(103,838)
CASH FLOW FROM FINANCING ACTIVITIES			
Long term finance obtained		-	229,480
Repayment of long term finance		(236,750)	(101,500)
Leases acquired		-	15,393
Re-payment of finance lease		(13,510)	(21,272)
Net cash (outflow) / inflow from financing activities		(250,260)	122,101
Net (decrease) / increase in cash and cash equivalents		(169,592)	39,931
Cash and cash equivalents at the beginning of the period		(163,548)	(203,480)
Cash and cash equivalents at the end of the period	32	(333,139)	(163,549)

The annexed notes 1 to 43 form an integral part of these financial statements.

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

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

	SHARE CAPITAL	UNAPPROPRIATED PROFIT / (LOSS)	TOTAL
	(Rupees in '000)		
Balance as at June 30, 2007	229,770	95,392	325,162
Transfer from profit & loss account	-	(79,387)	(79,387)
Transfer from surplus on revaluation of fixed asset- net of deferred tax	-	9,815	9,815
Balance as at June 30, 2008	229,770	25,820	255,590
Transfer from profit & loss account	-	(85,621)	(85,621)
Transfer from surplus on revaluation of fixed asset- net of deferred tax	-	10,155	10,155
Balance as at June 30, 2009	229,770	(49,646)	180,125

The annexed notes 1 to 43 form an integral part of these financial statements.

Hussain Jamil
Chief Executive Officer

Ahsan Jamil
Director

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

1. STATUS AND NATURE OF BUSINESS

Ecopack Limited "the Company" was incorporated on August 25, 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 and its shares are quoted at Karachi Stock Exchange.

The principal activity of the company is to manufacture of Polyethylene Terepthalat (PET) bottles and preforms for sales to the beverage and other liquid packaging industry. The company has two manufacturing facilities located at Hattar, NWFP, and at Kahuta in Federal Capital Territory, Islamabad.

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 Basis of measurement

These financial statements have been prepared under the historical cost convention except that certain property, plant and equipment have been included at revalued amount and for revaluation of certain employee retirement benefits at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional currency of the Company and figures are rounded off to the nearest thousand of rupees.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognised in the financial statements are discussed below:

i) Employee retirement benefits

The company uses acturial valuation to deterimine the present value of its retirement benefit obligations. The acturial valuation is carried out by independent valuer using underlying assumptions that have been mentioned in note 3.1.1

ii) Provision for taxation

The company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs 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.

iii) Useful life and residual values of property, plant and equipment

The company reviews the useful lives 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.

2.5 Standards, amendments to published approved accounting standards and interpretations becoming effective in the year ended June 30, 2009:

The following standards, interpretations and amendments to existing standards have been published that are mandatory and relevant for the company's accounting period beginning on July 1, 2008.

IAS-29, 'Financial Reporting in Hyperinflationary Economies' The objective of this standard is to establish specific standard for enterprises reporting in the currency of a Hyperinflationary Economy.

IFRS 7, 'Financial instruments: Disclosures' This standards requires extensive disclosures about the significance of financial instruments for an entity's financial position and result of operations, and qualitative and quantitative disclosures on the nature and extend of risk arising from financial instruments. It combines disclosure requirements from IAS-32, Financial Instruments: Presentation, and IAS-30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and adds new disclosure requirements.

IFRIC Interpretation 14, 'IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction'. IFRIC 14 provides guidance on assessing the limit in IAS 19 on the amount of surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirements. The amendment does not have significant effect on the company's financial statements.

Standards, amendments to published approved accounting standards and interpretations becoming effective in the year ended June 30, 2009 but not relevant:

There are certain new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2008 but are considered not to be relevant or have any significant effect on the company's operations and are, therefore, not disclosed in these financial statements.

Standards, amendments to published approved accounting standards and interpretations as adopted in Pakistan, that are not yet effective:

The following standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after January 01, 2009:

IAS 1 (Revised), 'Presentation of financial statements' (effective from January 01, 2009), was issued in September 2007. The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Further, where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The adoption of the above standard will only impact the presentation of the financial statements.

IAS 19 (Amendment), 'Employee benefits' (effective from January 01, 2009).

The amendment clarifies that a plan amendment that results in a change in the extent to which benefit promises are affected by future salary increases is a curtailment, while an amendment that changes benefits attributable to past service gives rise to a negative past service cost if it results in a reduction in the present value of the defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements.

The definition of return on plan assets has been amended to state that plan administration costs are deducted in the calculation of return on plan assets only to the extent that such costs have been excluded from measurement of the defined benefit obligation. Adoption of the amendment is not expected to have any effect on the company's financial statements.

The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered. The adoption of this amendment will only impact the presentation of the financial statements.

IAS 37, 'Provisions, contingent liabilities and contingent assets', requires contingent liabilities to be disclosed, not recognised. IAS 19 has been amended to be consistent with IAS 37.

IAS 36 (Amendment), 'Impairment of assets' (effective from January 01, 2009). As per the new requirements, disclosures equivalent to those for value-in-use calculation should be made where fair value less costs to sell is calculated on the basis of discounted cash flows. Adoption of the amendment is not expected to have significant effect on the company's financial statements.

IAS 23 (Amendment) 'Borrowing costs' (effective from January 01, 2009). It requires an entity to capitalize borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) as part of the cost of that asset. On adoption of the above amendment, the option of immediately expensing those borrowing costs will be withdrawn. This amendment is not expected to have a significant effect on the company's financial statements.

"IAS 38 (Amendment) 'Intangible assets' (effective from January 1, 2009). It states that a prepayment may only be recognised in the event that prepayment has been made in advance of obtaining right of access to goods or receipt of services. This amendment is not expected to have a significant effect on the company's financial statements."

There are other amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after January 1, 2009 but are considered not to be relevant or do not have any significant effect to the company's operations and are therefore not mentioned in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

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.

3.1 Employees' retirement benefits

The main features of the schemes operated by the company for its employees are as follows.

3.1.1 Defined benefit plan

A defined benefit plan is post employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. 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 actuarial valuation.

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.

Actuarial gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan. The following significant assumption is used for valuation of these schemes.

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

3.1.2 Defined contribution plan

A defined contribution planed is a post employment benefit plan under which the company pays fixed contribution into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognized as an employee benefit expense in profit and loss accounts when they are due. The Company also operates an approved funded contributory provident fund for its permanent employees. Monthly contributions are made both by the Company and the employees at the rate of 5% per annum of the basic salary.

3.2 Taxation

Income tax expense of comprises of current and deferred tax. Income tax expense is recognised in profit and loss accounts except to the extent that it relates to item recognized directly in equity, in which case it is also recognised in equity.

Current

Provision for current taxation is based on income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any. The charge for current tax includes adjustments to charge for prior years, if any.

Deferred

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and the tax laws that have been enacted or substantively enacted by the balance sheet date.

A deferred tax asset is recognised only when it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.3 Property, plant and equipment

Owned

Property, plant and equipment, except for free hold land, building, plant & machinery and capital work in progress are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Free hold land, building and plant & machinery are stated at revalued amounts less accumulated depreciation. Cost comprises acquisition and other directly attributable costs. Capital work in progress is stated at cost. Cost of certain property, plant and equipment comprises historical cost, exchange differences recognised in accordance with the previous forth schedule of the Companies Ordinance, cost of exchange risk of cover in respect of foreign currency loans obtained for the acquisition of plant and machinery upto the commencement of commercial production and the cost of borrowings during construction period in respect of loans taken for specific project.

Disposal of assets is recognizes when significant risk and rewards incidental to the ownership have been transferred to the buyers. Gain and losses on disposal of an item of property, plant and equipment are recognised in profit and loss account. The related surplus on revaluation of property, plant and equipment, if any, is transferred directly to retained earnings (unappropriated profits).

The costs of replacing parts of an item of property, plant and equipment is recognised in the carrying amount of the item, if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The cost of the day to day servicing of property, plant and equipment are recognised in profit and loss account as they incurred.

Depreciation is charged to profit and loss account applying either straight line method or written down value method, where the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which asset is available for use and on disposal up to the month immediately preceding of deletion.

The Company reviews the useful life and residual value of property, plant and equipment on a regular basis. Any change in estimated in future years might effect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on depreciation charge.

Leased

Lease in terms of which the Company assumes substantially all the risks and rewards of ownership, are classified as finance lease. Upon initial recognition, the leased asset is measured at an amount equal to lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Outstanding obligations under the lease less finance cost allocated to future periods are shown as a liability.

Finance cost under lease agreements are allocated to the periods during the lease term so as to produce a constant periodic rate of markup on the remaining balance of principal liability for each period.

3.4 Intangible assets

Acquired computers software licenses are capitalized on the basis of the costs incurred to acquired and bring to use the specific software. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortized using the straight line method over the estimated useful life of software. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Cost associated with maintaining computer software products are recognized as an expense as incurred.

3.5 Borrowing cost

Borrowings costs are recognised as an expense in the period in which they are incurred except, to the extent of borrowing cost that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of that asset.

3.6 Stores, spares & loose tools

Stores, spares and loose tools are valued at weighted average cost except for items in transit, which are stated at cost incurred upto the balance sheet date. For items which are slow moving/or identified as surplus to the company's requirements, adequate provision is made for any excess book value over estimated realizable value. The company reviews the carrying amounts of stores and spares on a regular basis and provision is made for the obsolescence.

3.7 Stock-in-trade

Stock-in-trade is valued at the lower of cost and net realizable value. Cost is determined using the weighted average method except for raw material in transit, which is stated at cost. Cost includes applicable purchase cost and manufacturing expenses. The cost of work-in-process includes material and proportionate conversion cost.

Net realizable value represents the estimated selling price for inventories less all estimated costs of completion and the costs necessary to make the sale.

3.8 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 include in the profit and loss account for the year.

3.8.1 Trade and other payables

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

3.8.2 Trade and other receivables

Trade and other receivables are recognised and carried at original invoice/cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivable are assessed on a regular basis and if there is any doubt about the realisability to these receivables, appropriate amount of provision is made.

3.9 Offsetting

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 realize the assets and settle the liabilities simultaneously.

3.10 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits held with bank and highly liquid investments with less than three months maturity from the date of acquisition. Running finance facilities availed by the Company, which are repayable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.11 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing related products or services (business segment), or in providing product or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Company's business segments.

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

1)	Injection	this represents manufacture and sale of Polyethylene Terepthalat (PET) preforms for beverage and non-beverage industry.
2)	Blowing	this represents manufacture and sale of Polyethylene Terepthalat (PET) bottles for beverage and non-beverage industry.

3.12 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue from sale of goods are recognised when significant risks and rewards of ownership are transferred to the buyer, and is recorded on dispatch of goods to the customers.

3.13 Foreign currency transactions and translation

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

3.14 Dividend

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

3.15 Impairment

The carrying amounts of assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit and loss account. Reversal of impairment losses are recognised in the profit and loss account restricted to the original cost of the asset.

3.16 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. Provisions are measured at present value of the expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation.

3.17 Related party transactions

Transactions with related parties are carried out on commercial terms and conditions.

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
4. PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets	4.1	1,259,423	1,078,169
Capital work-in-progress	4.2	11,671	8,056
		1,271,094	1,086,225

4.1. OPERATING FIXED ASSETS

(Rupees in '000)

	ASSETS OWNED BY THE COMPANY						LEASED ASSETS		Total
	Freehold land	Factory building & roads	Plant & machinery	Factory equipments	Furniture & fixture	Office equipments	Vehicles	Vehicles	Plant & machinery	
COST AND REVALUATION										
Balance as at July 1, 2008	3,525	45,457	1,250,141	62,728	4,544	15,728	3,419	24,553	49,299	1,459,393
Additions	-	1,685	15,043	24,780	772	844	974	4,293	-	48,391
Disposals	-	-	-	-	-	(96)	(1,955)	(3,424)	-	(5,475)
Inter Transfer	-	-	15,900	-	-	-	5,778	(5,778)	(15,900)	-
Revaluation	275	21,614	194,716	-	-	-		-	-	216,605
Balance as at June 30, 2009	3,800	68,756	1,475,801	87,508	5,316	16,476	8,216	19,644	33,399	1,718,915
DEPRECIATION										
Balance as at July 1, 2008	-	9,843	329,564	22,757	1,557	4,215	1,348	8,874	3,065	381,223
Disposals	-	-	-	-	-	(13)	(1,335)	(1,271)	-	(2,618)
Inter Transfer	-	-	2,650	-	-	-	3,666	(3,666)	(2,650)	-
For the year	-	1,858	56,884	14,801	348	1,198	724	3,044	2,029	80,886
Balance as at June 30, 2009	-	11,701	389,099	37,557	1,905	5,401	4,403	6,981	2,444	459,491
Carrying value as at June 30, 2009	3,800	57,055	1,086,703	49,950	3,411	11,076	3,813	12,663	30,955	1,259,423
COST AND REVALUATION										
Balance as at July 1, 2007	3,525	40,340	1,053,532	51,994	4,661	17,222	2,824	19,533	53,218	1,246,848
Additions	-	5,117	168,084	11,745	612	903	401	5,539	26,081	218,480
Disposals	-	-	(1,474)	(1,011)	(729)	(2,397)	(325)	-	-	(5,935)
Inter Transfer	-	-	30,000	-	-	-	519	(519)	(30,000)	-
Balance as at June 30, 2008	3,525	45,457	1,250,142	62,728	4,544	15,728	3,419	24,553	49,299	1,459,393
DEPRECIATION										
Balance as at July 1, 2007	-	8,123	269,028	12,640	1,626	4,117	1,284	5,906	4,137	306,862
Disposals	-	-	(896)	(603)	(420)	(1,223)	(288)	-	-	(3,430)
Inter Transfer	-	-	3,600	-	-	-	-	-	(3,600)	-
For the year	-	1,720	57,832	10,719	350	1,322	352	2,968	2,528	77,791
Balance as at June 30, 2008	-	9,843	329,564	22,756	1,556	4,216	1,348	8,874	3,065	381,222
Carrying value as at June 30, 2008	3,525	35,614	920,578	39,972	2,988	11,512	2,071	15,679	46,234	1,078,169
Rate of depreciation	-	5%-10%	5%-20%	10%-50%	10%	10%	20%	20%	5%	
Method of depreciation	-	DBM	DBM &SLM	DBM &SLM	DBM	DBM	DBM	DBM	SLM	

* "DBM" represents declining balance method of deprecation whereas 'SLM' represents straight line method of deprecation.

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

4.1.1 Depreciation charge has been allocated as follows:

Cost of sales	76,842	73,902
Administrative expenses	4,044	3,889
	80,886	77,791

4.1.2 The company revalued certain operating fixed assets, in 1995-96, 2003-04 and 2008-09, which had resulted in a surplus of Rs. 92,520 thousand, Rs. 141,337 thousand and Rs. 216,605 thousand respectively. These revaluation had been carried out by independent valuers taking market value or depreciated replacement cost as applicable, as a basis of valuation. 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.

4.1.3 Had there been no revaluation, the net carrying value of specific classes of operating fixed assets would have been as follows:

Freehold land	2,995	2,995
Factory building & roads	34,084	33,974
Plant & machinery	780,894	783,057
	817,973	820,026

4.1.4 Particulars of disposal of operating fixed assets

Particulars	Cost	Acc.Depreciation	Carrying value	Sale proceeds	Gain / (Loss)	Mode of disposals	Particulars of purchaser
Note book computer	69	12	57	57	-	Co. policy	Mr. Ahsan Jamil - Direcotr
Cellular phone	27	1	26	26	-	Co. policy	
Vehicle	2,410	1,121	1,289	1,289	-	Co. policy	
Vehicle	365	288	77	180	103	Negotiation	Mr. Zeeshan Ali
Vehicle	1,014	150	864	899	35	Insurance claim	Standard Charterd Modaraba
Vehicle	1,590	1,047	543	543	-	Insurance claim	Adamjee Insurance
June 2009	5,475	2,619	2,856	2,994	138		
June 2008	3,989	2,158	1,831	1,251	(580)		

4.2 CAPITAL WORK IN PROGRESS

Plant & Machinery	3,462	462
Electric installation	31	1,429
E.R.P implementation Cost	4,564	2,734
Piping work	38	37
Building and roads	1,550	1,083
Others	2,026	2,311
	11,671	8,056

5. LONG TERM DEPOSITS

Utilities	2,775	2,775
Leasing Companies	4,185	6,927
Others	63	62
	7,023	9,764

			JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
6.	STORES, SPARES AND LOOSE TOOLS			
	Stores and Spares		53,688	46,185
	Loose tools		1,171	1,974
			54,859	48,159
	Obsolete stores & spares write-off		-	(600)
			54,859	47,559
7.	STOCK IN TRADE			
	Raw material		80,353	84,136
	Stock in transit		9,048	-
	Packing material		11,117	9,971
	Work in process		71,132	87,180
	Finished goods		63,714	145,017
			235,364	326,304
	Provision for obsolete stocks		(3,528)	(6,625)
			231,836	319,679
8.	TRADE DEBTS			
	Considered good			
	Secured against letter of credit		46,841	54,532
	Unsecured		174,370	198,274
			221,211	252,806
	Considered doubtful		2,906	2,906
			224,117	255,712
	Provision against debts considered doubtful		(2,906)	(2,906)
			221,211	252,806
9.	LOANS AND ADVANCES			
	Advances:			
	to Suppliers		14,656	50
	for expenses		324	851
			14,980	901
	Loan to employees	9.1	1,261	2,079
			16,241	2,980

9.1 This includes amount of Rs. 149 thousand (2008: Rs. 717 thousand) receivable from executives.

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
10.	SHORT TERM DEPOSITS AND PREPAYMENTS		
	Deposits	2,131	1,083
	Prepayments	2,944	846
		5,075	1,929
11.	OTHER RECEIVABLES		
	Margin and L/C charges	489	3,534
	Sales tax refundable	3,927	4,135
	Claim Receivable	543	3,488
		4,959	11,157

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
12.	**CASH AND BANK BALANCES**		
	Cash in hand	12	24
	Cash at Bank - current	805	36,280
		817	36,304

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

Numbers		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
10,262,664	ordinary shares of Rs. 10/- each issued for consideration in cash	102,627	102,627
12,714,307	ordinary shares of Rs. 10/- each issued as fully bonus shares	127,143	127,143
22,976,971		229,770	229,770

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
14.	**SURPLUS ON REVALUATION OF FIXED ASSETS**		
	Surplus on revaluation :		
	Balance as at July 01	127,212	142,308
	Add : Surplus arising on revaluation as of June 30, 2009	216,605	-
	Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(15,624)	(15,096)
		328,193	127,212
	Related deferred tax :		
	Balance as at July 01	44,523	49,805
	Add : On Revaluation surplus as of June 30, 2009	75,812	-
		120,335	49,805
	Less : On incremental depreciation charged during the year	(5,468)	(5,282)
		114,867	44,523
	Surplus on revaluation of fixed assets - net of Deferred Tax	213,326	82,689
15.	**LONG TERM FINANCING**		
	Loan from banking companies -secured	407,807	542,634

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
15.1 Loan from banking companies			
Askari Bank Limited (TF)	15.1.1	198,282	221,282
Pak Oman Investment Co. Ltd. (TF)	-	-	175,000
JS Bank Limited (TF)	15.1.2	31,250	62,500
Habib Bank Limited (DF-I)	15.1.3	26,250	30,000
Habib Bank Limited (DF-II)	15.1.3	144,894	144,894
Habib Bank Limited (DF-III)	15.1.3	96,250	100,000
		496,926	733,676
Less: current portion shown under current liabilities		(89,119)	(191,042)
		407,807	542,634

15.1.1 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 reset on 1st of each calendar quarter payable paid in seasonilized and stepped up installments starting from 15th month after disbursement upto June, 2013. The finance is secured by way of first pari passu charge of PKR 450 million over all present and future fixed assets of the company and personal guarantees of Directors.

15.1.2 This represents Term finance facility obtained to finance capital expenditure. It carries mark up at 3 month KIBOR plus 2.25% payable in quarterly installments upto August 2010. Finance is secured by way of first pari passu charge on all present and future fixed assets of PKR 100 million of the company inclusive of 25% margin.

15.1.3 These represents demand finances obtained to finance expansion in existing production facilities at plant . These carry mark up at 3 months KIBOR plus 2.5% , payable in five years in quarterly installments. Finances are secured by way of 1st pari passu charge over existing and future fixed assets up to PKR 415 million of the company situated at plot # 112-113 Phase V, Industrial Estate Hattar, District Haripur, NWFP.

16. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Opening balance	49,912	55,791
Obtained during the year	4,293	15,392
Paid during the year	(17,803)	(21,271)
	36,402	49,912
Less: current portion shown under current liabilities	(11,196)	(15,002)
	25,206	34,910

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

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

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Minimum lease payment		
Upto one year	15,771	19,880
More than one year but less then five years	30,281	41,357
	46,052	61,237
Amount representing financial cost not yet due		
Upto one year	(4,574)	(5,369)
More than one year but less then five years	(5,075)	(5,956)
	(9,649)	(11,325)
Present value of minimum lease payment		
Upto one year	11,196	14,511
More than one year but less then five years	25,206	35,401
	36,402	49,912
Current portion shown under current liabilities	(11,196)	(15,002)
Present value of minimum lease payment payable later than one year but not later then five years	25,206	34,910

16.2 This represents vehicles and plant & machinery acquired under a number of finance lease agreements. Interest rate used discounting factor ranging from 12.50% to 18.20% (2008:9.5% to 17.31%)per anum. Taxes, repair, replacements and insurance are born by the company. Under the terms of arrangement, the company has an option to acquire leased assets at the end of respective lease terms and intends to exercise the option. At June 30, 2009 the net carrying amount of leased vehicles and plant & equipment are Rs. 12,663 thousand and Rs. 27,354 thousand (June 30, 2008: Rs. 15,679 thousand and Rs. 42.632 thousand) respectively. There are no restrictions imposed on the Company under the term of leases.

17. DEFERRED LIABILITIES

	Note	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000) Restated
Staff gratuity	17.1	11,916	13,242
Deferred taxation	17.2	139,190	83,570
		151,106	96,812

17.1 STAFF GRATUITY

17.1.1 Reconciliation of amounts recognised in the balance sheet is as follows:

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Present value of defined benefit obligation	24,706	25,887
Net actuarial losses not recognized	(12,790)	(12,645)
	11,916	13,242

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
17.1.2 Movement in liability recognized in balance sheet:			
Present value of defined benefit obligation (opening)		13,242	11,657
Expense for the year		7,547	6,944
Benefits paid during the year		(8,873)	(5,358)
		11,916	13,243
17.1.3 Amount recognised in profit and loss account is as follows:			
Current Service Cost		3,603	3,957
Interest Cost		3,106	2,295
Actuarial losses recognised		838	692
		7,547	6,944

17.1.4 Comparison of present value of defined benefit obligation for the current year and pervious four years is as follows:

	Present value of defined benefit obligation	Experience adjustments on obligations
June 2009	24,706	(12,790)
June 2008	25,887	(12,645)
June 2007	22,945	(11,288)
June 2006	18,645	(7,757)
June 2005	12,174	(4,167)

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
17.2 DEFERRED TAXATION			
Deductible temporary differences			
Tax losses carried forward		(161,452)	(69,396)
Provisions and finance lease		(19,163)	(38,787)
		(180,615)	(108,183)
Taxable temporary differences:			
Accelerated depreciation		204,940	147,230
Surplus on revaluation of fixed assets		114,865	44,523
		319,805	191,753
		139,190	83,570
18. TRADE AND OTHER PAYABLES			
Trade creditors & bills payable		319,146	301,851
Accrued & other liabilities		15,782	13,669
Advances from customers		28,981	4,373
Tax deducted at source		1,263	699
Sales tax payable		10,303	5,331
Unclaimed dividend		461	461
Workers' profit participation fund	18.1	507	392
		376,443	326,776

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
18.1 Workers' profit participation fund		
Balance as on 1 July	392	482
Mark-up on funds utilized in the Company's	117	-
	509	482
Less : Amount paid on behalf of the fund	(3)	(90)
Balance as on 30 June	506	392

19. INTEREST AND MARK-UP ACCRUED

Long term financing	20,588	19,815
Short term borrowings	11,437	5,106
Liabilities against assets subject to finance lease	566	566
	32,591	25,487

20. SHORT TERM BORROWINGS - secured

From banking companies		
Short-term running finance	185,904	36,202
Finance against trust receipt	148,052	163,650
	333,956	199,852

Short-term running finance and other facilities are obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 11.92% to 12.46% (2008: 10.27% to 16.91%) per anum calculated on daily product basis. These facilities have various maturities date upto February 28, 2010.

These facilities are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company and personal guarantees of the working directors.

21. CURRENT PORTION OF LONG TERM FINANCING

Long term financing	89,119	191,042
Liabilities against assets subject to finance lease	11,196	15,002
	100,315	206,044

22. CONTINGENCIES AND COMMITMENTS

22.1. Contingencies

In the year 2002, the Commissioner of Income Tax, Companies Zone, Islamabad notified the Company with respect to application filed by it in the Lahore High Court, Rawalpindi Bench, against the order of Income Tax Appellate Tribunal passed in favor of the Company annualling impugned order of Additional Commissioner of Income Tax dated March 22, 2002 passed under Section 66-A, resulting in tax assessment of Rs. 6,695 thousand. 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. The matter is pending for adjudication.

22.2. Commitments

Letters of credit	29,042	53,630

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
23. SALES - NET			
Gross sales	23.1	2,067,829	2,056,588
Sales discount		(1,173)	(4,758)
Sales tax		(275,073)	(264,633)
Excise duty		(17,192)	(17,604)
Sales commission		(6,555)	(600)
Sales return		(2,984)	(5,447)
		(302,977)	(293,042)
		1,764,852	1,763,546

23.1 This includes export sales of Rs. 52,587 thousand (2008: Rs. 3,903 thousand).

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
24. COST OF SALES			
Raw material consumed	24.1	1,089,110	1,206,045
Packing material consumed		64,695	67,275
Salaries, wages & other benefits	24.2	85,289	78,661
Traveling & conveyance		6,437	6,280
Professional charges		491	484
Vehicle repair & maintenance		9,321	6,854
Rent, rate & taxes		28,177	29,222
Repair & maintenance		4,827	5,757
Telephone		1,394	1,581
Printing, postage & stationery		1,856	1,598
Entertainment		1,535	1,618
Insurance		3,195	3,130
Electricity, gas & water		76,780	93,080
Freight, octroi & toll tax		7,020	13,811
Depreciation	4.1.1	76,842	73,902
Store consumed		21,069	28,892
Miscellaneous		1,780	836
		1,479,818	1,619,025
Work-in-process - opening		87,180	156,406
Work-in-process - closing		(71,132)	(87,180)
		16,048	69,226
Cost of goods manufactured		1,495,866	1,688,252
Finished goods - opening		145,017	71,643
Finished goods - closing		(63,714)	(145,017)
		81,303	(73,374)
		1,577,169	1,614,878

24.1 Raw material consumed

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Opening stock		84,136	152,400
Purchases		1,094,376	1,137,781
Closing stock		(89,402)	(84,136)
		1,089,110	1,206,045

24.2 This includes staff retirement benefits amounting to Rs. 6,849 thousand (2008: Rs. 4,367 thousand)

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

25. DISTRIBUTION COST

	Note	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Salaries and benefits	25.1	9,966	7,442
Office rent		780	992
Electricity, water & gas		315	150
Entertainment		194	86
Traveling & conveyance		1,252	1,104
Repair & maintenance		70	113
Vehicle running & maintenance		1,062	875
Communications		576	665
Insurance		23	37
Printing & stationery		5	131
Carriage & freight outward		48,016	50,631
Miscellaneous		503	321
		62,762	62,547

25.1 This includes staff retirement benefits amounting to Rs. 781 thousand (2008: Rs. 368 thousand)

26. ADMINISTRATIVE EXPENSES

	Note	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Salaries and benefits	26.1	23,736	25,510
Rent, rate and taxes		1,246	1,126
Electricity, gas and water		463	317
Entertainment		365	306
Traveling & conveyance		2,071	2,434
Vehicle running & maintenance		1,291	1,838
Repair & maintenance		931	466
Communications		1,236	1,821
Legal & professional		2,973	3,462
Auditors' remuneration	26.2	664	435
Advertisement		25	145
Medical		1,375	1,544
Insurance		106	138
Printing & stationery		477	180
Depreciation	4.1.1	4,044	3,889
Books, newspaper and periodicals		38	31
Courses, seminar & subscription		191	56
Donation	26.3	330	360
Miscellaneous		95	-
		41,659	44,058

26.1 This includes staff retirement benefits amounting to Rs.1,748 thousand (2008: Rs. 2,865 thousand)

26.2 Auditors' remuneration

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Audit fee	375	280
Fee for half yearly review	100	90
Other advisory services	180	60
Out-of-pocket expense	9	5
	664	435

26.3 None of the directors and their spouse have any interest in the donee's fund.

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
27. OTHER OPERATING INCOME / (COST)		
Income from/(Loss on) financial assets/liabilities		
Exchange gain/ (loss)	201	(746)
Reversal of (assets)/payable	(31)	382
	170	(364)
Income from/(Loss on) non-financial assets		
Raw material scrapped	-	(545)
Income from sale of scrap	5,780	20,431
Insurance claim	205	10,835
Gain/(Loss) on disposal of fixed asset	138	(1,255)
	6,123	29,466
	6,293	29,102
28. FINANCE COST		
Mark-up on:		
Long-term financing	89,957	76,456
Short-term borrowing	32,869	22,571
Liabilities against assets subject to finance lease	5,940	5,132
	128,766	104,159
Interest on workers' profit participation fund	117	-
LC usance and other charges	62,428	37,129
Bank charges	4,057	950
	195,368	142,238
29. PROVISION FOR TAXATION		
		Restated
Current	-	8,843
Deferred	(20,192)	(527)
	(20,192)	8,316

29.1 Current

The assessments of the Company have been finalized upto and including the tax year 2008. Assessed losses available to the Company to be carried forward amounted to Rs.334,798 thousand at the end of the tax year 2008. No provision for income tax has been made for the current year in view of taxable loss of current year and also have accumulated losses.

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

30. LOSS PER SHARE - BASIC AND DILUTED

30.1 Basic loss per share

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Loss after tax (rupees in thousands)		(85,621)	(79,387)
Weighted average number of ordinary shares (nos.)		22,977	22,977
Loss per share (rupees)		(3.72)	(3.45)

30.2 Diluted loss per share

There is no diluted effect on the basic earning per share for the company as it has not issued any instruments carrying options which would have been impact on loss per share when exercised.

31. CASH GENERATED FROM OPERATIONS

		JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Loss/Profit before taxation		(105,812)	(71,071)
Adjustment for non-cash charges and other items:			
Depreciation		80,886	77,791
Reversal of liability		31	(382)
Loss / (gain) on disposal of property, plant & equipment		(138)	1,255
Insurance claim		(205)	(10,326)
Exchange loss		(201)	746
Loss on Sale of materials		-	545
Provision for stock-in-trade		-	3,097
Provision for gratuity		7,547	6,944
Finance cost		195,368	142,238
Working capital changes	31.1	156,991	26,307
		334,467	177,144

31.1 Working capital changes

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
(Increase) / decrease in current assets :		
Stores, spares and loose tools	(7,300)	29,718
Stock in trade	87,842	63,645
Trade debts	31,595	(79,537)
Loans and advances	(13,261)	28,985
Short term deposits & prepayments	(3,146)	4,113
Other receivables	6,403	16,009
	102,133	62,933
Increase / (decrease) in current liabilities:		
Trade and other payables	54,858	(36,626)
	156,991	26,307

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

32. CASH AND CASH EQUIVALENTS

Cash and bank balances	818	36,304
Short term borrowings	(333,957)	(199,852)
	(333,139)	(163,548)

33. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to directors, chief executive and executives of the company as follows:

	Chief Executive		Directors		Executives	
	2009	2008	2009	2008	2009	2008
Managerial remmuneration	4,403	4,466	423	4,466	12,417	9,400
House allowance and utilities	2,442	784	233	784	6,830	5,170
Servent allowance	348	268	33	268	4	-
Telephone allowance	293	225	69	225	-	-
Medical reimbursement	581	744	56	774	1,065	1,222
Total	8,067	6,487	814	6,517	20,316	15,792
No. of person(s)	1	1	1	1	12	8

33.1 The Company also provides with company maintained vehicles to its Chief Executive, to some other executives, and the Directors in accordance with Company's policy. They are entittled to Gratuity and provident fund contribution is in accordance with company's policy.

34. TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party a exercise significant influence over other party in making financial and operating decisions.

The related parties comprise of major shareholders, directors of the company and key management personnel and staff/workers funds. Remuneration and benefits to executives of the company are in accordance with the terms of the employment while contribution to the provident fund and gratuity are in accordance with staff service rules.

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Details of transactions with related parties are as follows:		
Transactions during the year		
Sale of property, plant and equipment	1,372	-
Post employment benefit paid	7,901	-
Contribution to staff provident fund	1,879	1,882
Payable as on balance sheet date with:		
workers' profit participation fund trust	507	392
Employees' provident fund trust	269	189

The remuneration of Chief Executive, Directors and Executives is disclosed in Note 33 to the financial statements.

35 SEGMENT ANALYSIS

	Injection		Blowing		Total	Total
	June 2009	June 2008	June 2009	June 2008	June 2009	June 2008
	(Rupees in '000)					
Sales-net	390,794	414,196	1,374,058	1,349,350	1,764,852	1,763,546
Cost of sales	(344,914)	(376,738)	(1,232,255)	(1,238,140)	(1,577,169)	(1,614,878)
	45,880	37,458	141,803	111,210	187,683	148,668
Distribution cost	(13,897)	(14,690)	(48,864)	(47,857)	(62,761)	(62,547)
Administrative	(9,225)	(10,348)	(32,434)	(33,710)	(41,659)	(44,058)
	(23,122)	(25,038)	(81,298)	(81,567)	(104,420)	(106,605)
Operating project	22,758	12,420	60,504	29,643	83,263	42,063
Segment assets	619,770	414,465	628,236	851,498	1,248,005	1,265,963
Unallocated assets	-	-	-	-	602,822	529,591
	619,770	414,465	628,236	851,498	1,850,827	1,795,554
Segment liabilities	42,531	14,653	8,976	2,551	51,507	17,204
Unallocated liabilities	-	-	-	-	1,405,867	1,440,068
	42,531	14,653	8,976	2,551	1,457,374	1,457,272
Capital expenditure	3,569	27,427	3,323	24,525	6,892	51,952
Depreciation	34,579	29,656	42,263	44,246	76,842	73,902

35.1 Inter-segment sales have been eliminated from total.

35.2 Administrative expenses, distribution cost are allocated on the basis of the net sales value for each segment.

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)

36. FINANCIAL INSTRUMENTS

36.1 Financial instruments by category

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
FINANCIAL ASSETS		
Loans and receivables		
Long term deposits	7,022	9,764
Trade debts	221,211	252,806
Short term deposits	2,131	1,083
Other receivables	1,032	7,022
Cash and bank balances	818	36,304
	232,214	306,979
FINANCIAL LIABILITIES		
Financial liabilities at amortized cost		
Long term financing	496,926	733,676
Liabilities against assets subject to finance lease	36,402	49,912
Long term payables	5,193	-
Trade and other payables	335,895	316,372
Interest and mark-up accrued	32,591	25,487
Short term borrowings	333,956	199,852
	1,240,963	1,325,299

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: capital risk, credit risk, liquidity risk and market risk (including foreign exchange or currency risk, interest/mark-up rate risk and price risk). The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance. Overall, risks arising from the Company's financial assets and liabilities are limited. The Company consistently manages its exposure to financial risk without any material change from previous period in the manner described in notes below.

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. All treasury related transactions are carried out within the parameters of these policies.

37.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Due to the company’s long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non–performance by these counter parties on their obligations to the company. To manage exposure to credit risk, Company applies credit limits and deal with credit worthy parties. It makes full provision against those balances considered doubtful and by dealing with variety of major banks and financial institutions. The carrying amounts of financial assets against which the Company did not hold any collateral are represent the maximum credit exposure, as specified below:

	JUNE 2009 (Rupees '000)	JUNE 2008 (Rupees '000)
Trade debts	177,276	201,180
Loans and advances	16,241	2,980
Other receivables	1,032	7,022
Bank balances	805	36,280
	195,354	247,462

37.1.1 Impairment losses

The aging of trade debts at the reporting date was:

	2009		2008	
	Gross value	Impairment	Gross value	Impairment
	(Rupees '000)		(Rupees '000)	
Not past due	73,698	-	42,417	-
Past due 1-60 days	75,482	-	121,474	-
Past due 61 days to 1 year	20,739	-	23,576	-
More than 1 year	7,357	2,906	13,715	2,906
Total	177,276	2,906	201,182	2,906

The company believes that no impairment allowance is necessary in respect of trade debts past due other than amount provided. Trade debts are essentially due from credit worthy parities. The company is actively pursuing for recovery of debts and the company does not expect these parties to fail to meet their obligations.

37.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facility. The Company finances its operations through equity, borrowings and working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk. Company treasury aims at maintaining flexibility in funding by keeping committed credit line available.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

	Carrying value	Contructual cash flow	Upto one year	More than one year
	(Rupees '000)			
Long term financing	496,926	664,633	144,930	519,703
Finance lease	36,402	46,051	15,771	30,281
Long term payables	5,192	5,192	-	5,192
Trade and other payables	376,546	376,442	376,442	-
Short term borrowings	333,956	345,393	345,393	-
June 2009	1,249,022	1,437,711	882,536	555,176
Long term financing	733,676	991,340	326,707	664,633
Finance lease	49,913	61,237	19,880	41,357
Long term payables	-	-	-	-
Trade and other payables	326,776	326,776	326,776	-
Short term borrowings	199,852	204,958	204,958	-
June 2008	1,310,217	1,584,311	878,321	705,990

Contractual cash flows include interest related cash flows upto the year end. The future interest related cash flows depends on the interest rates applicable at that time and the extent of utilization of running finance facilities.

37.3 Market risk

Market risk means that the future cash flows of a financial instrument will fluctuate because of changes in market prices such as foreign exchange rates and interest rates. The objective is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Company's market risk comprises of two types of risk: foreign exchange or currency risk and interest/mark up rate risk. The market risks associated with the Company's business activities are discussed as under:

a) Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The company is not exposed to foreign currency risk on export. Company's risk exposure is on import of material and machinery that are entered in a currency other than local currency.

Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows on notional amount (currency in thousand).

	June 2009			June 2008		
	GBP	US$	Euro	GBP	US$	Euro
	(Amount in '000)					
Long term payables	-	67	-	-	-	-
Trade and other payables	3	268	10	8	69	7
	3	335	10	8	69	7

Sensitivity analysis

The table summarizes the financial assets/liabilities as of 30 June 2009 and 2008 that are subject to foreign currency risk and shows the estimated changes in the value of financial assets (and the resulting change in profit and loss account and equity) assuming changes in the underlying exchange rates applied immediately and uniformly across all currencies. The changes in value do not necessarily reflect the best or worst case scenarios and actual results may differ. The analysis assumes that all other variables, in particular interest rate, remain constant.

Change of the Rupees against foreign currencies as at balance sheet date would have had the following effect on profit and loss account and equity.

	Weakening of the PKR by				Strengthening of the PKR by		
	-20%	-10%	-5%	0%	+5%	+10%	+20%
June 2009 (Rupees in '000)	(5,775)	(2,887)	(1,444)	-	1,444	2,887	5,775
June 2008 (Rupees in '000)	(990)	(495)	(247)	-	247	495	990

b) Interest/mark up rate risk

Interest/mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The long-term financing and short term borrowing arrangements have variable rate pricing that is dependent on the Karachi Inter Bank Offer Rate (KIBOR) as indicated in respective notes. At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	2009	2008	2009	2008
Fixed rate intruments	Effective interest rate (%)		Carryaing amount (in '000)	
Finance lease	9.5% - 14%	7.75% - 14%	6,654	18,115
			6,654	18,115
Variable rate intruments				
Long term financing	15.27% - 18.50%	11.71% - 16.19%	496,926	733,676
Finance lease	15.28% - 18.48%	12.59% - 17.31%	29,748	31,797
Short term borrowings	11.92% - 15.49%	10.27% - 16.19%	333,956	199,852
			860,630	965,325
			867,284	983,440

Sensitivity analysis

The Company does not have any fixed rate liabilities at fair value through profit or loss, and any derivatives as hedging instruments recognized under fair value hedge accounting model. Therefore, a change in interest rate at reporting date would not effect fair value of any financial instrument.

A change of 100 basis points in interest rated would have had increased loss by Rs. 30,628 thousand (2008: Rs. 21,608 thousand)

37.4 Fair value of financial instruments

Fair value is an amount for which an asset could be exchanged or a liability settled between knowledgeable willing parties at arm's length transaction. Consequently, differences may arise between the carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

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

38. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company manages its capital risk by monitoring its debt levels and liquid assets and keeping in view future investment requirements and expectation of the shareholders. Debt is calculated as total borrowings ('long term financing' and 'short term borrowings' as shown in the balance sheet). Total capital comprises shareholders' equity and surplus on revaluation of fixed assets as shown in the balance sheet under 'share capital and reserves'.

There were no changes to the Company's approach to capital management during the year and the Company is not subject to externally imposed capital requirements.

	QUANTITIES IN 000'	
	JUNE 2009	JUNE 2008
39. PLANT CAPACITY AND ACTUAL PRODUCTION		
Blowing		
Capacity - nos. of bottles	304,200	304,200
Production - nos. of bottles	203,237	233,205
Utilization	67%	77%
Injection		
Capacity - nos. of preforms	415,733	415,733
Production - nos. of preforms	270,839	310,269
Utilization	65%	75%

39.1 The underutilization of capacity was due to market constraints.

40. ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The Company corrected the error made in the year 2008 in respect of transferring sruplus on revaluation of fixed assets to retained earning at gross amount instead of recording it at net of deferred tax. The effect of correction was made during the year by restating the comperative figures that resulted in reduction of loss after tax / increase in unappropriated profit by Rs. 5,282 thousand; and consequential decrease in loss per share by Rs. 0.28 for the year ended June 30, 2008.

41. CORRESPONDING FIGURES

Corresponding figures have been rearranged, for better presentation and disclosure, in respect of followings:

REARRANGED FROM Note	Description	REARRANGED TO Note	Description
	Owned		Owned
5.1.	Factory building Factory road	4.1	Factory building & roads
5.1.	Plant & machinery- local Plant & machinery- imported Injection moulds Blow mould imported Local moulds Electrification	4.1	Plant and machinery
5.1.	Piping work Preform container Capital spares Laboratory equipment Factory equipments	4.1	Factory equipments
5.1.	Office equipments & computers Air conditions	4.1	Office equipments
	Leased	Leased	
5.1.	Generator Plant & machinery	4.1	Plant and machinery

During the year the company has changed its reportable segment from geographical segments to business segments therefore corresponding figure have been rearranged for comparative purpose.

42. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on October 06, 2009 by the Board of Directors of the Company.

43. GENERAL

Figures have been rounded off to the nearest thousand rupees.

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 18th Annual General Meeting

of the Company to be held on Thursday October 29, 2009 _______________________________________

and as any adjournment thereof. ____

As witness my / our hand this ____________________________ day of _______________________ 2009

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.