

Financial Statements for the Half Year  
ended December 31, 2015



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**Half Yearly Report**

**2015**

SIGMA PRESS, 051-5765377



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### ■ Vision & Mission Statement

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

### ■ Corporate Strategy

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





## DIRECTORS' REPORT

The board of directors of Ecopack Limited is pleased to present the Directors' Report along with the half-yearly reviewed financial statements of the company for the 6-month period ended December 2015:

### OVERVIEW

The half year under review was relatively much more stable for your company in sharp contrast to the same period in the prior year, when operations were rocked by the political strife in and around the main supply markets of the company. Consequently, improvements were seen all round in production and sales and our financial results were further augmented by improved supply side economics due to continuing reduction in the prices of crude oil and lower bank interest rates.

Thus our main raw material, PET resin, declined on the average by 25% YOY during this period thereby putting considerable pressure on sales revenue, however, substantially higher Preform sales more than made up for the decrease in sales revenue compared to the same period of the previous year. Financial charges fell sharply as mark-up rates were reduced and your company continued on the stable trajectory of paying down its long-term debt. Supported by these macro-economic factors and combined with your managements continual drive to tightly control costs across the board, greatly helped in sharply bringing down the usual winter quarter loss by more than half of the previous years' commensurate period, both in terms of 'before tax' and 'after tax' losses.

### SALES & FINANCIAL HIGHLIGHTS

Sales revenue increased by 7% from Rs. 703 million to Rs. 755 million in the comparative half-year period under review, due to a significant increase in Preform sales volume, despite the decrease in PET resin prices.

Gross profit and Operating profit significantly improved by Rs.23.9 million and Rs. 32.6 million respectively in this half year versus the same period last year. Financial charges in this half year reduced by Rs.18 million to Rs.35.5 million compared to Rs.53.5 million last year- a significant reduction of 34% on account of consistent debt reduction as well as lower KIBOR and bank mark-up.

Pre-tax loss decreased by Rs. 43.3 million from Rs. 82.5 million in the first half of the prior financial year compared to Rs. 39.3 million this half year - a decrease of 52%. In the same token, Post-tax loss reduced by a hefty amount of Rs. 66.3 million in this half year from Rs. 113.2 million to Rs. 46.8 million compared to the same period last year - a decrease of 59%. Loss per share for the first half year of FY 2015-2016 has reduced to Rs. 2.04 per share against Rs. 4.93 loss per share for the same period last year.

### OUTLOOK

While the market for your company's products remains price competitive, the envisaged double-digit growth in the soft-drink industry allows reasonable mitigation through strong demand and high volume sales.

The current turmoil in crude oil prices and related volatility in supply-chain materials poses a risk of possible inventory losses as the company carries a well calculated stock of products for sale from the off-season winter months in preparation for the summer season commencing around mid-March each year. Your management is taking all necessary precautions and steps to hedge such risks to a great extent.

For and on Behalf of the Board of Directors

**Hussain Jamil**  
Chief Executive Officer

Dated : February 24, 2016

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

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **EcoPack Limited** as at **December 31, 2015** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the "condensed interim financial information") for the half year then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended December 31, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2015.

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2015 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi.  
Dated: February 24, 2016

**Rehman Sarfraz Rahim Iqbal Rafiq**  
Chartered Accounts  
Engagement Partner: Muhammad Waseem

## CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2015

	Notes	Un-audited December 31, 2015	Audited June 30, 2015
<b>ASSETS</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	5	1,023,181	1,055,461
Long term security deposits		6,064	6,064
Intangibles		2,001	1,033
		<u>1,031,246</u>	<u>1,062,558</u>
<b>Current assets</b>			
Stores, spares and loose tools		75,686	75,882
Stock in trade	6	146,413	202,785
Trade debts - unsecured considered good		66,721	216,664
Loans and advances - unsecured considered good		36,799	26,992
Short term deposits, prepayments and other receivables		24,913	11,272
Taxation - Net		48,047	46,324
Cash and bank balances		26,051	38,118
		<u>424,630</u>	<u>618,038</u>
		<u>1,455,876</u>	<u>1,680,596</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized capital</b>			
50,000,000 (June 2015: 50,000,000) ordinary shares of Rs.10/- each		500,000	500,000
<b>Share capital and reserves</b>			
Issued, subscribed and paid-up capital		229,770	229,770
Accumulated Profit		5,865	42,481
		<u>235,635</u>	<u>272,251</u>
Surplus on revaluation of property, plant and equipment	7	164,926	163,625
		<u>400,561</u>	<u>435,876</u>
<b>Non-Current Liabilities</b>			
Long term loans - secured	8	285,624	320,091
Liabilities against assets subject to finance lease		2,625	3,003
Deferred liabilities		254,570	263,256
		<u>542,819</u>	<u>586,350</u>
<b>Current Liabilities</b>			
Trade and other payables		88,749	271,862
Accrued mark-up		15,917	11,494
Short term borrowings - secured	9	326,786	287,994
Current portion of long term liabilities		81,044	87,020
		<u>512,496</u>	<u>658,370</u>
Contingencies and commitments	10		
		<u>1,455,876</u>	<u>1,680,596</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED  
DECEMBER 31, 2015

Notes	Half year ended		Second quarter ended		
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014	
	Rupees in '000				
Sales - net	11	754,950	702,653	195,380	173,592
Cost of sales	12	(707,154)	(678,758)	(216,751)	(229,498)
Gross profit		<u>47,796</u>	<u>23,895</u>	<u>(21,371)</u>	<u>(55,906)</u>
Distribution costs		(16,207)	(27,949)	(3,530)	(8,848)
Administrative expenses		(29,676)	(26,682)	(16,441)	(14,442)
		<u>(45,883)</u>	<u>(54,631)</u>	<u>(19,971)</u>	<u>(23,290)</u>
Operating profit / (loss)		<u>1,913</u>	<u>(30,736)</u>	<u>(41,342)</u>	<u>(79,196)</u>
Other income		4,922	11,000	3,616	8,016
Other charges		(10,633)	(9,310)	(5,467)	(2,382)
		<u>(5,711)</u>	<u>1,690</u>	<u>(1,851)</u>	<u>5,634</u>
		<u>(3,798)</u>	<u>(29,046)</u>	<u>(43,193)</u>	<u>(73,562)</u>
Finance cost		(35,485)	(53,519)	(15,805)	(24,950)
Loss before taxation		<u>(39,283)</u>	<u>(82,565)</u>	<u>(58,998)</u>	<u>(98,512)</u>
Taxation					
- Current		(7,598)	(7,144)	(1,990)	(1,823)
- Deferred		-	(23,511)	-	(23,511)
		<u>(7,598)</u>	<u>(30,655)</u>	<u>(1,990)</u>	<u>(25,334)</u>
Loss after taxation		<u>(46,881)</u>	<u>(113,220)</u>	<u>(60,988)</u>	<u>(123,846)</u>
Loss per share - Basic and diluted		<u>(2.04)</u>	<u>(4.93)</u>	<u>(2.65)</u>	<u>(5.39)</u>

The annexed notes form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
(UNAUDITED)  
**FOR THE HALF YEAR & QUARTER ENDED**  
DECEMBER 31, 2015

	Half year ended		Second quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees in '000			
Loss for the period	(46,881)	(113,220)	(60,988)	(123,846)
<b>Other comprehensive income</b>				
-Transfer from surplus on revaluation of property and plant on account of incremental depreciation - net of tax	10,265	12,997	5,132	12,997
<b>Total comprehensive loss for the year</b>	<b>(36,616)</b>	<b>(100,223)</b>	<b>(55,856)</b>	<b>(110,849)</b>

The annexed notes form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
(UNAUDITED)  
**FOR THE HALF YEAR & QUARTER ENDED**  
DECEMBER 31, 2015

	Issued, subscribed and paid up capital		Total
	Appropriated Profit / (Loss)		
	Rupees in '000		
<b>Balance as at July 01, 2014</b>	<b>229,770</b>	<b>(4,649)</b>	<b>225,121</b>
<i>Total comprehensive loss for the period ended December 31, 2014</i>			
- Loss for the period	-	(113,220)	(113,220)
- Other comprehensive income for the period	-	12,997	12,997
		(100,223)	(100,223)
<b>Balance as at December 31, 2014</b>	<b>229,770</b>	<b>(104,872)</b>	<b>124,898</b>
<i>Total comprehensive income for the period ended June 30, 2015</i>			
- Profit for the period	-	139,695	139,695
- Other comprehensive income for the period	-	7,658	7,658
		147,353	147,353
<b>Balance as at June 30, 2015</b>	<b>229,770</b>	<b>42,481</b>	<b>272,251</b>
<i>Total comprehensive loss for the period ended December 31, 2015</i>			
- Loss for the period	-	(46,881)	(46,881)
- Other comprehensive income for the period	-	10,265	10,265
		(36,616)	(36,616)
<b>Balance as at December 31, 2015</b>	<b>229,770</b>	<b>5,865</b>	<b>235,635</b>

The annexed notes form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE HALF YEAR ENDED  
DECEMBER 31, 2015**

	For the half year ended	
	December 31, 2015	December 31, 2014
	Rupees in '000'	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(39,283)	(82,565)
<b>Adjustments for:</b>		
- Depreciation	49,376	47,380
- Amortization	63	42
- Loss on disposal of property, plant and equipment	1	748
- Provision for gratuity	6,661	6,065
- Finance cost	35,485	53,519
	91,586	107,754
	52,303	25,189
<b>Changes in working capital:</b>		
Decrease / (Increase) in stores, spares and loose tools	196	(1,354)
Decrease in stock in trade	56,372	60,824
Decrease in trade debts	149,943	164,936
Decrease / (Increase) in loans and advances	(9,807)	16,803
Increase in short term deposits, prepayments and other receivables	(13,641)	(1,363)
Decrease in trade and other payables	(183,113)	(33,529)
	(50)	206,317
Cash generated from operations	52,253	231,506
Finance cost paid	(31,062)	(54,178)
Gratuity paid	(3,783)	(706)
Taxes paid	(9,320)	(9,527)
Net cash generated from operating activities	8,088	167,095
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(18,246)	(17,080)
Proceeds from disposal of fixed assets	121	1,108
Net cash used in investing activities	(18,125)	(15,972)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	(40,443)	(60,918)
Repayment of finance lease liability	(379)	(4,018)
Net cash used in financing activities	(40,822)	(64,936)
Net (decrease) / increase in cash and cash equivalents	(50,859)	86,187
Cash and cash equivalents at the beginning of the period	(249,876)	(306,121)
Cash and cash equivalents at the end of the period	14 (300,735)	(219,934)

The annexed notes form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
(UN-AUDITED)  
FOR THE HALF YEAR & QUARTER ENDED  
DECEMBER 31, 2015**

**1. STATUS AND NATURE OF BUSINESS**

The Company was incorporated on 25 August 1991 as a Private Limited Company under the Companies Ordinance, 1984. It was converted as a Public Limited Company on April 29, 1992 and subsequently in March 1994 it was listed at Karachi Stock Exchange (With effect from 1st January 2016 it is Pakistan Stock Exchange Limited). The principal activity of the Company is manufacture and sale of Poly Ethylene Terephthalat (PET) bottles and preforms for beverage and non-beverage industry. The Company's manufacturing facility and registered office is situated at 112-113, Phase-V, Industrial Estate Hattar, District Haripur, Khyber Pakhtunkhwa.

**2. BASIS OF PREPARATION**

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of, and directives issued under the Companies Ordinance 1984; in case, where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Companies Ordinance 1984, have been followed. The interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2015.

These condensed interim financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

These condensed interim financial statements comprise of the condensed interim balance sheet as at 31 December 2015 and condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and the condensed interim cash flow statement for the six months period ended 31 December 2015 which have been subjected to a review but not audit.

These condensed interim financial statements are presented in Pakistan Rupee which is also the Company's functional currency and all numbers presented have been rounded off to the nearest thousand.

The comparative balance sheet presented in these interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2015, whereas the comparative profit and loss account, statement of changes in equity, statement of comprehensive income and cash flow statement are extracted from the unaudited interim financial information for the half year ended December 31, 2014. The comparative condensed profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2015 included in this condensed interim financial report was not subject to a review.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted by the Company in the preparation of these interim financial information are the same as those applied in preparation of the preceding published financial statements of the Company for the year ended June 30, 2015.

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



## 4. ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing the condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Company as at and for the year ended June 30, 2015.

## 5. PROPERTY, PLANT AND EQUIPMENT

	Un-audited December 31, 2015	Audited June 30, 2015
	Rupees in '000	
Balance at July 01	1,055,461	1,074,293
Surplus on Revaluation	-	-
<i>Additions during the period / year</i>		
- Plant and machinery	3,086	60,546
- Factory equipment	11,142	18,625
- Furniture and fixtures	26	118
- Office equipment	1,069	756
- Vehicles - owned	1,895	156
	17,218	80,201
Disposals	(122)	(4,393)
Depreciation for the period	(49,376)	(94,640)
Closing WDV	<u>1,023,181</u>	<u>1,055,461</u>

## 6. STOCK IN TRADE

Raw material	48,512	71,306
Packing material	7,827	8,165
Work in process	53,574	83,158
Finished goods	40,025	43,684
	149,938	206,313
Provision for obsolete stocks	(3,525)	(3,528)
	<u>146,413</u>	<u>202,785</u>

## 7. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

**Revaluation surplus**

Balance as at July 01	251,907	275,330
Less : Reversal Due to Disposal of Assets	-	(1,507)
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year	(10,265)	(21,916)
	<u>241,642</u>	<u>251,907</u>

**Related deferred tax booked**

Balance as at July 01	(88,282)	(95,777)
Transferred to revaluation surplus on account of change in tax rate	8,281	-
Deferred tax on incremental depreciation charged during the period	3,285	7,495
	<u>(76,716)</u>	<u>(88,282)</u>
<b>Net of Deferred Tax</b>	<u>164,926</u>	<u>163,625</u>

## 8. LONG TERM LOANS

Long term loans repaid during the period amounted to Rs. 40,443 million (June 2015: Rs. 60,918 million);

## 9. SHORT TERM BORROWINGS - Secured

These represents short term running finance, Finance against trust receipts and other facilities obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 8.10% - 10.01% (June 2015: 12.18% - 12.96%) per annum calculated on daily product basis. These facilities are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company and personal guarantees of two original founder / sponsor Directors of the company.

## 10. CONTINGENCIES AND COMMITMENTS

## 10.1 Contingencies

10.1.1 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 favour of the Company annulling impugned order of Additional Commissioner of Income Tax dated March 22, 2002 passed under Section 66-A, resulting in tax assessment of Rs. 6.69 million. The Company has not made any provision in this respect in view of the legal opinion of its Legal Advisor that the said case is likely to be decided in favour of the Company on legal grounds. The matter is pending for adjudication.

10.1.2 The Company had filed a writ petition in the Honourable Peshawar High Court against Workers' Welfare Fund provision and the learned Court accepted the petition in terms that the impugned levy of contribution introduced through the Finance Act of 1996 and 2009 lacked the essential mandate to be introduced and passed through a Money Bill under the Constitution, hence the levy was declared unconstitutional. An appeal was filed in the Supreme Court by the defendants. As the matter is still pending in the Court, the Company has not made any payment for the Worker's Welfare Fund. Since the company has obtained stay from the learned court, no provision of WWF for the period has been made.

**Commitments**

There are no commitments as at December 31, 2015 (June 30, 2015: Nil).

## 11. SALES - net

	Half year ended		Second quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees in '000			
Sales	884,121	822,377	228,889	203,238
Less: Discount	(575)	(328)	(136)	(88)
Less: Sales tax	(128,596)	(119,396)	(33,373)	(29,558)
	<u>754,950</u>	<u>702,653</u>	<u>195,380</u>	<u>173,592</u>

## 12. COST OF SALES

	Half year ended		Second quarter ended	
	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
	Rupees in '000			
Raw material consumed	418,797	387,303	119,729	88,335
Packing material consumed	29,370	26,206	8,027	6,807
Salaries, wages and other benefits	59,094	59,886	26,525	28,229
Traveling and conveyance	5,645	6,150	2,667	2,916
Professional charges	653	1,196	288	1,041
Vehicle repair and maintenance	3,752	4,680	1,597	1,680
Rent, rates and taxes	5,985	5,412	3,088	2,466
Repair and maintenance	6,888	3,992	1,653	1,358
Communication charges	475	786	253	495
Printing, postage and stationery	639	586	259	220
Entertainment	536	330	303	140
Advertisement	1	35	1	33
Insurance	2,246	2,351	1,081	1,485
Medical	1,430	1,018	1,430	532
Electricity, gas and water	74,924	86,004	17,067	24,493
Freight, octroi and toll tax	1,350	1,535	437	518
Depreciation	46,907	45,011	24,084	21,635
Stores consumed	14,654	7,973	6,626	1,169
Lab tests	388	697	31	205
Courses and seminars fee	84	536	70	383
Miscellaneous	91	70	49	45
	673,911	641,757	215,267	184,185
Work in process - opening	83,158	50,029	45,703	60,886
Work in process - closing	(53,574)	(34,232)	(53,574)	(34,232)
	29,584	15,797	(7,871)	26,654
Cost of goods manufactured	703,495	657,554	207,396	210,839
Finished goods - opening	43,684	55,864	49,380	53,319
Finished goods - closing	(40,025)	(34,660)	(40,025)	(34,660)
	3,659	21,204	9,355	18,659
	707,154	678,758	216,751	229,498

## 13. SEASONALITY OF OPERATIONS

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

## (a) Description of operating segments

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

## (b) Segment information

The operating information of the reportable business segments is as follows:

	INJECTION		BLOWING		TOTAL	
	Half year ended December 31, 2015	Half year ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014	Half year ended December 31, 2015	Half year ended December 31, 2014
	(Rupees '000)					
Sale-net	313,022	151,611	441,928	551,042	754,950	702,653
Cost of sales	(304,976)	(164,737)	(402,178)	(514,021)	(707,154)	(678,758)
	8,046	(13,126)	39,750	37,021	47,796	23,895
Distribution cost	(6,720)	(6,031)	(9,487)	(21,918)	(16,207)	(27,949)
Administrative	(12,304)	(5,823)	(17,372)	(20,859)	(29,676)	(26,682)
	(19,024)	(11,854)	(26,859)	(42,777)	(45,883)	(54,631)
Operating profit	(10,978)	(24,900)	12,891	(5,756)	1,913	(30,736)
	416,741	371,114	398,727	397,209	815,468	768,323
Segment assets	416,741	371,114	398,727	397,209	640,408	576,362
Unallocated assets	-	-	-	-	1,455,876	1,344,685
Segment liabilities	149,032	133,936	173,924	166,928	322,956	300,864
Unallocated liabilities	149,032	133,936	173,924	166,928	740,411	748,264
Capital expenditure	5,382	7,809	7,679	3,248	13,061	11,057
Unallocated Capex	5,382	7,809	7,679	3,248	4,156	5,523
	17,217	16,580	17,217	16,580	17,217	16,580



**14. CASH AND CASH EQUIVALENTS**

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

	December 31, 2015	December 31, 2014
	----- Rupees in '000 -----	
Cash and bank balances	26,051	7,652
Short term borrowings	<u>(326,786)</u>	<u>(227,586)</u>
	<u>(300,735)</u>	<u>(219,934)</u>

**15. TRANSACTIONS WITH RELATED PARTIES**

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

	December 31, 2015	December 31, 2014
	----- Rupees in'000 -----	
Gratuity Paid	<u>3,783</u>	<u>706</u>
Gratuity Provided during the period	<u>6,661</u>	<u>6,065</u>

**16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended 30 June 2015.

**17. DATE OF AUTHORIZATION**

This condensed interim financial information has been authorized for issue on February 24, 2016 by the Board of Directors of the Company.

**18. GENERAL**

Figures have been rounded off to the nearest thousand rupees.

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**CHIEF EXECUTIVE OFFICER**


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**DIRECTOR**