

DECEMBER 31, **2010**

**ECOPACK LIMITED**  
**HALF YEARLY REPORT**



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- **Mission Statement**

To Systematically and cost effectively manufacture and supply consistently high 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.

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## 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. Muhammed Murtaza Raza

### COMPANY SECRETARY

Mr. Muhammed Ali Adil

### BANKERS

Askari Bank Limited  
 Habib Bank Limited  
 Allied Bank Limited  
 JS Bank Limited  
 Faisal Bank Limited

### AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq  
 Chartered Accountants

### LEGAL ADVISOR

M/s. Ebrahim Hosain Advocate & Corporate Counsel

### REGISTERED OFFICE AND FACTORY

112-113, Phase V, Hattar Industrial  
 Estate Hattar, District Haripur  
 Khyber Pakhtunkhwa  
 Tel: (0995) 617720-23, 617347  
 Fax: (0995) 617074  
[www.ecopack.com.pk](http://www.ecopack.com.pk)

## DIRECTORS' REPORT

The board of directors of Ecopack Limited is pleased to present the reviewed half yearly accounts along with the independent auditors report for the period ended 31<sup>st</sup> December 2010.

### Overview:

The first half of FY 2010-11 has been a challenging period for the company. The year started at a slow pace due to the economic slowdown witnessed in the last quarter of 2009-10. Unprecedented floods in the first quarter of 2010-11 significantly depressed Ecopack's bottle sale due to low demand from the premium segment. This had a negative effect on the capacity utilization of plant assets resulting in erosion of margins. These margins experienced even more pressure in the second quarter of FY 2010-11 due to a steep rise in resin prices accompanied by rising cost of electricity, labor (minimum wage) and packing materials. However, your company managed these challenges through a radical reduction in its fixed costs to protect its margins, diversification of its customer base through exports to improve capacity utilization and timely pass through of input costs through pricing. Consequently, after a tough first quarter, your company was able to post a recovery in the second quarter to contribute to the following half yearly results:

### Sales and Financial Highlights:

During the first half of fiscal year 2010-11 the net sales turnover improved by 1% compared to the same period last year. This was on account of two reasons: (i) higher price of PET resin and (ii) significant increase (142%) in preform sales in unit terms. However, the gross profit dropped to 4.9% compared to 10.6% during the same period last year. This was due to lower capacity utilization of bottle blowing plant assets on account of 59% drop in bottle sales compared to the same period last year. This pressure on margins was partially mitigated through cost cutting measures that resulted in 15% reduction in fixed costs and 14% reduction in operating expenses on a YOY 6-month basis. On the fiscal front, your company was able to reduce financial charges by 40% through prudent inventory management, better & timely receivables management and by utilizing the fiscal relief provided by the State Bank of Pakistan to rehabilitate economic life in Khyber Pakhtunkhwa. Despite tough business conditions the pre-tax loss was limited at 6.1% compared to 5.7% during the same period last year while the company posted an after tax loss of PKR 53.9 million compared to a loss of PKR 40.9 million.

### Future Outlook:

In the back drop of tough business circumstances, your company is going ahead with a radical restructuring of its fixed costs through consolidation of operations, reduction of head count as well as evaluation of avenues for the disposal of un-utilized assets. At the same time your company will continue its volume led strategy in bottle sales and an export driven strategy in preform sales. It is also looking actively into options to extend its product range to niche high margin products to improve profitability.

For & on Behalf of the Board of Directors

Dated : February 25, 2011  
Karachi

**Hussain Jamil**  
Chief Executive Officer

## **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, 2010 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, 2009 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

### **Scope of Review.**

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

### **Conclusion.**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2010 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi

Dated: February 25, 2011

**Sarfraz Rahim Iqbal Rafiq**

**Chartered Accountants**

Engagement Partner: **Muhammad Waseem**

**CONDENSED INTERIM BALANCE SHEET**  
**AS AT DECEMBER 31, 2010**

	<b>Un-audited December 31, 2010</b>	<b>Audited June 30, 2010</b>
<b>Note</b>	<b>----- Rupees in '000' -----</b>	
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipment	5	1,179,622
Long term security deposits		10,724
		1,222,916
<b>CURRENT ASSETS</b>		
Stores, spares and loose tools	49,743	49,104
Stock in trade	158,358	230,817
Trade debts - unsecured considered good	138,156	114,564
Loans and advances	28,106	22,393
Short term deposits, prepayments & other receivables	18,577	7,886
Taxation - net	11,956	16,490
Cash and bank balances	7,217	1,839
	412,113	443,093
<b>TOTAL ASSETS</b>	<u>1,602,459</u>	<u>1,676,733</u>
<b>SHARE CAPITAL AND RESERVES</b>		
Authorized Share Capital		
50,000,000 ( June 2010 : 50,000,000) Ordinary shares of Rs. 10 each	<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	229,770	229,770
Unappropriated Loss	<u>(95,519)</u>	<u>(49,319)</u>
	134,251	180,451
Surplus on revaluation of property, plant and equipment	184,931	193,675
<b>NON-CURRENT LIABILITIES</b>		
Long term loans	6	237,029
Liabilities against assets subject to finance lease		21,855
Deferred liabilities		141,559
		400,443
298,320		33,202
140,359		140,359
471,881		471,881
<b>CURRENT LIABILITIES</b>		
Trade and other payables	297,241	353,617
Accrued mark-up on loans	18,066	742
Short term borrowings	417,188	342,096
Current portion of long term liabilities	150,339	134,271
	882,834	830,726
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>1,602,459</u>	<u>1,676,733</u>
<b>CONTINGENCIES AND COMMITMENTS</b>		
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The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

### FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2010

	Note	Half year ended		Second quarter ended	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Rupees in '000'					
Sales - Net	8	749,345	745,609	312,495	200,671
Cost of sales	9	(712,923)	(666,338)	(310,991)	(193,977)
Gross Profit		<u>36,422</u>	<u>79,271</u>	<u>1,504</u>	<u>6,694</u>
<b>Operating expenses</b>					
Distribution costs		(22,595)	(26,025)	(7,597)	(8,335)
Administrative expenses		(21,379)	(19,551)	(11,568)	(10,059)
		<u>(43,974)</u>	<u>(45,576)</u>	<u>(19,165)</u>	<u>(18,394)</u>
Operating profit / (loss)		<u>(7,552)</u>	<u>33,695</u>	<u>(17,661)</u>	<u>(11,700)</u>
Finance costs		(50,940)	(82,636)	(25,096)	(39,613)
Other expenses		(68)	(584)	(68)	(584)
Other income		10,504	7,238	6,751	6,484
		<u>(40,504)</u>	<u>(75,982)</u>	<u>(18,413)</u>	<u>(33,713)</u>
Loss before taxation		<u>(48,056)</u>	<u>(42,287)</u>	<u>(36,074)</u>	<u>(45,413)</u>
Taxation - Current		(7,585)	(3,641)	(2,165)	(1,014)
- Deferred		693	5,041	482	2,521
		<u>(6,892)</u>	<u>1,400</u>	<u>(1,683)</u>	<u>1,507</u>
Loss after taxation		<u>(54,948)</u>	<u>(40,887)</u>	<u>(37,757)</u>	<u>(43,906)</u>
Loss per share		<u>(2.39)</u>	<u>(1.78)</u>	<u>(1.64)</u>	<u>(1.91)</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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 CHIEF EXECUTIVE OFFICER

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 DIRECTOR

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 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
FOR THE HALF YEAR AND QUARTER ENDED  
DECEMBER 31, 2010

	Half year ended		Second quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	----- Rupees in '000' -----			
Profit/(loss) for the period	<b>(54,948)</b>	(40,887)	<b>(37,757)</b>	(43,906)
Other comprehensive income:				
Surplus on revaluation of property, plant and equipment - net of tax	<b>8,744</b>	9,363	<b>4,372</b>	4,681
Total comprehensive income for the period transferred to equity	<u><b>(46,204)</b></u>	<u>(31,524)</u>	<u><b>(33,385)</b></u>	<u>(39,225)</u>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

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DIRECTOR

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CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY  
(UNAUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2010**

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	----- Rupees in '000' -----		
Balance as at July 01, 2009	229,770	(49,646)	180,124
Total comprehensive income for the half year ended December 31, 2009	-	(31,524)	(31,524)
<b>Balance as at December 31, 2009</b>	<b><u>229,770</u></b>	<b><u>(81,170)</u></b>	<b><u>148,600</u></b>
Balance as at January 01, 2010	229,770	(81,170)	148,600
Total comprehensive income for the half year ended June 30, 2010	-	31,855	31,855
<b>Balance as at June 30, 2010</b>	<b><u>229,770</u></b>	<b><u>(49,315)</u></b>	<b><u>180,455</u></b>
Balance as at July 01, 2010	229,770	(49,315)	180,455
Total comprehensive income for the half year ended December 31, 2010	-	(46,204)	(46,204)
<b>Balance as at December 31, 2010</b>	<b><u>229,770</u></b>	<b><u>(95,519)</u></b>	<b><u>134,251</u></b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

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CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	For the half year ended	
	December 31, 2010	December 31, 2009
Note	----- Rupees in '000' -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(48,056)	(42,287)
Adjustments for:		
Depreciation	46,739	48,067
Gain on disposal of property, plant & equipment	(693)	(86)
Exchange loss	-	584
Provision for gratuity	4,398	3,120
Provision for workers' welfare fund	68	-
Finance cost	50,940	82,636
	101,452	134,321
Cash generated from operating activities before working capital changes	53,396	92,034
Changes in working capital		
(Increase) / Decrease in current assets :		
Stores, spares and loose tools	(639)	3,093
Stock in trade	72,459	(59,312)
Trade debts	(23,592)	158,955
Loans & advances	(5,713)	(5,148)
Short term deposits, prepayments and other receivables	(4,668)	(22,360)
Increase / (Decrease) in current liabilities:		
Trade and other payables	(56,446)	(27,853)
	(18,599)	47,375
Cash generated from operations	34,797	139,409
Finance cost paid	(39,631)	(83,302)
Gratuity paid	(2,504)	(1,583)
Taxes Paid	(3,045)	(7,072)
<b>Net cash (used in) / generated from operating activities</b>	<b>(10,383)</b>	<b>47,452</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(2,721)	(14,223)
Capital work-in-progress	(726)	(1,589)
Long term security deposits	-	(3,702)
Proceeds from disposal of fixed assets	685	331
<b>Net cash used in investing activities</b>	<b>(2,762)</b>	<b>(19,183)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long term loans	(50,695)	(32,457)
Repayment of finance lease liability	(5,874)	(5,171)
<b>Net cash used in financing activities</b>	<b>(56,569)</b>	<b>(37,628)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(69,714)</b>	<b>(9,359)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>(342,498)</b>	<b>(333,139)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12 (412,212)</b>	<b>(342,498)</b>

The annexed notes from 1 to 14 form an integral part of this condensed interim financial information.

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CHIEF EXECUTIVE OFFICER

\_\_\_\_\_  
DIRECTOR

\_\_\_\_\_  
CHIEF FINANCIAL OFFICER

## NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

### 1 STATUS AND NATURE OF BUSINESS

The company was incorporated on 25 August 1991 as a private limited company under the Companies Ordinance, 1984. It was converted as a public limited company on April 29, 1992 and subsequently in March 1994 was listed at Karachi Stock Exchange. The principal activity of the company is to manufacture and sell 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 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. The condensed interim financial information is un-audited and being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Karachi Stock Exchange. 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, 2010.

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, 2010, 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, 2009. The comparative condensed profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2010 included in this condensed interim financial report was not subjected 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, 2010.

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

#### 3.1 Adoption of new accounting standards

The company has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights issue (Amendment)  
 IFRIC 19 - Extinguishing Financial Liabilities with Equity instruments

In April 2009, International Accounting Standards Board issued amendment to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are made in the following standards:

IFRS 5	-Non-current Assets Held for sale and discontinued operations
IFRS 8	-Operating segments
IAS 1	-Presentation of financial information
IAS 7	-Information of Cash Flows
IAS 17	-Leases
IAS 36	-Impairment of Assets
IAS 39	-Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on the condensed interim financial information of the company.

#### 4 ESTIMATES AND JUDGEMENTS

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. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

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, 2010.

#### 5 PROPERTY, PLANT & EQUIPMENT

Note ----- Rupees in '000' -----

##### 5.1 Additions to property, plant & equipment during the period

Factory building	5.2	-	3,371
Plant & Machinery			
- Local	5.2	4,627	-
- Imported	5.2	-	36,127
Factory equipment	5.2	188	10,949
Furniture and fixture	5.2	43	532
Office equipment	5.2	103	2,431
Vehicles	5.2	-	83
Computers and accessories	5.2	111	-
Capital work in progress		726	-
		<u>5,798</u>	<u>53,493</u>

5.2 The additions disclosed are inclusive of transfers from capital work in progress amounting to Rs. 1.4 million.

5.3 During the period, assets costing Rs. 2,936 thousand having net book value of Rs. 912 thousand were disposed off for Rs. 1,605 thousand.

#### 6 LONG TERM LOANS

Long term loans worth Rs. 50.7 million have been repaid during the period.

#### 7 CONTINGENCIES AND COMMITMENTS

Contingencies remain same as at December 31, 2010 as disclosed in the audited financial statements for the year ended June 30, 2010. There are no commitments as at December 31, 2010 (June 30, 2010: Nil).

	Half year ended		Second quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
<b>8 NET SALES</b>	----- Rupees in '000' -----			
Sales	866,773	873,417	360,039	236,258
Less: Sales tax	(110,164)	(112,855)	(44,904)	(30,953)
Special Excise Duty	(6,480)	(7,054)	(2,643)	(1,935)
Sales return	(784)	(7,899)	3	(2,699)
	(117,428)	(127,808)	(47,544)	(35,587)
	<u>749,345</u>	<u>745,609</u>	<u>312,495</u>	<u>200,671</u>
	----- Rupees in '000' -----		----- Rupees in '000' -----	
<b>9 COST OF SALES</b>	Half year ended		Second quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Raw material consumed	478,354	552,948	208,224	233,791
Packing material consumed	24,752	27,873	8,942	9,037
Salaries, wages & other benefits	39,757	40,595	19,581	18,732
Traveling & conveyance	1,834	1,638	820	856
Professional charges	219	28	91	10
Vehicle repair & maintenance	3,584	4,319	1,471	1,882
Rent, rates & taxes	6,501	10,242	2,297	4,272
Repair & maintenance	2,495	4,282	1,072	2,646
Communication charges	805	849	342	462
Printing, postage & stationery	508	489	198	216
Entertainment	1,256	1,138	234	767
Advertisement	1	3	1	3
Insurance	3,137	2,577	1,569	1,892
Medical	791	758	478	393
Electricity, gas & water	35,487	40,922	15,937	14,066
Freight, octroi & toll tax	2,178	1,070	1,278	443
Depreciation	44,417	45,777	22,389	22,665
Transportation	3,327	2,724	1,554	1,371
Stores consumed	5,137	18,296	2,097	9,553
Lab tests	393	373	323	113
Miscellaneous	272	-	220	-
	<u>655,205</u>	<u>756,901</u>	<u>289,118</u>	<u>323,170</u>
Work in process opening	102,009	71,132	92,238	47,057
Work in process closing	(65,404)	(186,428)	(65,404)	(186,428)
	<u>36,605</u>	<u>(115,296)</u>	<u>26,834</u>	<u>(139,371)</u>
<b>Cost of goods manufactured</b>	<u>691,810</u>	<u>641,605</u>	<u>315,952</u>	<u>183,799</u>
Finished goods				
Opening	79,936	63,714	53,862	49,159
Closing	(58,823)	(38,981)	(58,823)	(38,981)
	<u>21,113</u>	<u>24,733</u>	<u>(4,961)</u>	<u>10,178</u>
	<u>712,923</u>	<u>666,338</u>	<u>310,991</u>	<u>193,977</u>

**10 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 quarters of the year. Due to flood, the Company has experienced adverse results in the first quarter.

**11 SEGMENT ANALYSIS**
**(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		Inter-segment transactions				Total					
	Half year ended December		Second quarter ended		Half year ended December		Second quarter ended		Half year ended		Second quarter ended			
	2010	2009	2010	2009	2010	2009	2010	2009	December 31,	2009	December 31,	2009		
	Figures in '000													
Sales - Net	625,579	146,636	294,706	41,372	297,121	600,173	51,000	199,299	(173,355)	(33,230)	749,343	746,609	312,495	200,671
Cost of sales	(666,979)	(1,268,877)	(284,638)	(36,055)	(280,299)	(537,301)	(95,360)	(197,922)	173,355	33,230	(712,921)	(666,338)	(310,968)	(193,977)
Gross profit	358,600	16,599	10,068	5,317	16,822	62,872	(8,360)	1,377	-	-	36,422	79,271	1,507	6,694
Operating expenses:														
Distribution costs	(13,319)	(5,076)	(6,718)	(1,668)	(7,276)	(20,949)	(979)	(6,637)	-	-	(22,995)	(26,025)	(7,597)	(8,335)
Administrative expenses	(43,235)	(8,815)	(6,733)	(2,002)	(17,020)	(15,756)	(2,853)	(8,627)	-	-	(21,379)	(19,553)	(11,568)	(10,059)
	(29,678)	(8,891)	(15,451)	(3,700)	(14,296)	(36,685)	(3,714)	(14,694)	-	-	(43,974)	(45,576)	(19,165)	(18,394)
Operating profit / (loss)	(10,078)	7,706	(5,383)	1,617	2,226	25,867	(12,214)	(13,317)	-	-	(7,552)	33,695	(17,668)	(11,700)
Finance costs														
Other expenses														
Other income														
Loss before taxation														
Taxation - Current														
- Deferred														
Loss after taxation														
	(50,940)	(8,626)	(10,256)	(2,996)	(10,256)	(23,996)	(68)	(586)			(22,995)	(26,025)	(7,597)	(8,335)
	68	1594	1034	7238	6751	6751	6751	6751			10304	175382	(18413)	(31713)
	(40594)	(75382)	(18413)	(31713)	(48056)	(42387)	(36071)	(45413)			(7385)	(3643)	(3165)	(1014)
	693	5041	482	2371	6892	1400	(1683)	1507			(6892)	1400	(1683)	1507
	(54948)	(40887)	(37754)	(43906)							(54948)	(40887)	(37754)	(43906)

## 12 CASH & CASH EQUIVALENTS

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

	December 31, 2010	June 30, 2010
	----- Rupees in '000' -----	
Cash and bank balances	7,217	1,397
Short term borrowings	<u>(417,188)</u>	<u>(343,895)</u>
	<u>(409,971)</u>	<u>(342,498)</u>

## 13 DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on February 25, 2011 by the Board of Directors of the Company.

## 14 GENERAL

Figures have been rounded off to the nearest thousand rupees.

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 CHIEF EXECUTIVE OFFICER

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 DIRECTOR

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 CHIEF FINANCIAL OFFICER



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