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■ **Mission Statement**

To Systematically and cost effectively manufacture and supply consistently high 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. Shahid Jamil	
Mrs. Deborah Jamil	
Mrs. Ayesha Khan	
Ms. Laila Jamil	
Mr. Asad Ali Sheikh	
Mr. Mohammad Raza Chinoy	

AUDIT COMMITTEE

Mrs. Ayesha Khan	Chairperson	Non-Executive Director
Mr. Asad Ali Sheikh	Member	Non-Executive Director
Ms. Laila 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
Faysal 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

DIRECTORS ' REPORT

The board of directors of the company is pleased to present the Reviewed financial statements of the company for the 6-month period ended 31st December 2011:

Overview:

The overall sales revenue for the year improved by 28% over last year same period. This was mainly due to resin price increase and the improved product pricing. This strategy was in line with the company's strategy of margin improvement in the half year in which most of the off season months fall. The maintenance of the plant & machinery was due and done in the winter months to gear up for the summer season high sales period. This expense on maintenance impacted the bottom line in this half year but your company would reap its benefits in the remaining half year by efficiently utilizing it's plant capacity. Exports continued to support the preform sales and your company is opening new export markets every year to increase the customer base, improve utilization of machines and somewhat immune itself from local market risks.

Financial Highlights:

The company's emphasis was to improve margins in a widely inflationary environment. The sales in value terms increased by a significant 26% for Bottles and 29% for Preforms reflecting both improved margins as well as higher Pet resin prices, compared to the same prior period. Gross Profit decreased by 0.2% to 4.6% comparatively but the Operating Profit increased by 0.7% due to tighter management controls leading to lower Administrative costs. Consequently the Loss before Tax was reduced by Pkr 7 million (15%) and After Tax Loss was also reduced by 9% from Pkr 55 million to Pkr 50 million over the corresponding 6 months last year. The company has spent Rs. 12 million more than last year to get the machines well maintained for the upcoming season. While this has, in the short run, depressed the bottom line but it will have a positive impact in the second half of the fiscal year.

Future Outlook:

The company has made agreements with major customers for bottle and preform sales for the year 2012 and positioned itself to benefit from the high sales summer months. The pricing improvement will help the company to stay ahead of inflationary trends and have profitable sales, while the focus on enhancing export sales will enable your company to maximize the capacity utilization of its production assets. The company is negotiating with a few bottling companies for disposal of its unutilized bottle blowing equipment which will reduce the financial burden on your company and allow it to invest in diversification of its product lines.

For and on behalf of the Board of Directors

Dated : February 29, 2012

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 Eco Pack Limited as at December 31, 2011 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, 2010 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

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 less in scope than and audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi.
Dated:

Chartered Accountants
Engagement Partner: **Muhammad Waseem**

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2011

		Un-audited December 31, 2011	Audited June 30, 2011	
Note		Rupees in '000'		
NON-CURRENT ASSETS				
	Property, plant & equipment	5	1,183,705	1,237,519
	Long term security deposits		8,089	8,274
CURRENT ASSETS				
	Stores, spares and loose tools		55,597	51,423
	Stock in trade	6	128,222	168,292
	Trade debts - unsecured considered good		75,657	146,759
	Loans and advances - unsecured considered good		44,692	43,549
	Short term deposits, prepayments & other receivables		7,099	8,500
	Sales tax refundable		3,978	3,978
	Taxation		37,385	24,669
	Cash and bank balances		2,831	10,129
			355,461	457,299
TOTAL ASSETS			1,547,255	1,703,092
SHARE CAPITAL AND RESERVES				
	Authorized Share Capital			
	50,000,000 (June 2011 : 50,000,000) Ordinary shares of Rs. 10 each		500,000	500,000
	Issued, subscribed and paid-up capital		229,770	229,770
	Unappropriated Loss		(135,584)	(101,661)
			94,186	128,109
	Surplus on revaluation of property, plant and equipment		230,500	240,988
NON-CURRENT LIABILITIES				
	Long term loans - secured	7	107,856	159,999
	Liabilities against assets subject to finance lease		16,107	20,650
	Deferred liabilities		158,702	161,653
			282,665	342,302
CURRENT LIABILITIES				
	Trade and other payables		250,277	411,939
	Accrued mark-up		14,198	9,060
	Short term borrowings - secured	8	512,423	391,028
	Current portion of long term liabilities		163,006	179,666
			939,904	991,693
TOTAL EQUITY AND LIABILITIES			1,547,255	1,703,092
CONTINGENCIES AND COMMITMENTS				
		9		

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED
DECEMBER 31, 2011

		Half year ended		Second quarter ended	
		December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
Note		Rupees in '000'			
Sales - Net	10	957,644	749,345	306,295	312,495
Cost of sales	11	(913,239)	(712,923)	(323,591)	(310,991)
Gross Profit		44,405	36,422	(17,296)	1,504
Operating expenses					
Distribution costs		(25,029)	(22,595)	(7,776)	(7,597)
Administrative expenses		(19,537)	(21,379)	(11,768)	(11,568)
		(44,566)	(43,974)	(19,544)	(19,165)
Operating profit / (loss)		(161)	(7,552)	(36,840)	(17,661)
Finance costs	12	(50,480)	(50,940)	(24,611)	(25,096)
Other expenses		-	(68)	-	(68)
Other income		9,606	10,504	3,369	6,751
		(40,874)	(40,504)	(21,242)	(18,413)
Loss before taxation		(41,035)	(48,056)	(58,082)	(36,074)
Taxation - Current		(9,662)	(7,585)	(3,089)	(2,165)
- Deferred		639	693	639	482
		(9,023)	(6,892)	(2,450)	(1,683)
Loss after taxation		(50,058)	(54,948)	(60,532)	(37,757)
Loss per share - Basic and diluted		(2.18)	(2.39)	(2.63)	(1.64)

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE HALF YEAR ENDED
DECEMBER 31, 2011

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	Rupees in '000'		
Balance as at July 01, 2010	229,770	(49,315)	180,455
Total comprehensive income for the half year ended December 31, 2010		(54,948)	(54,948)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax	-	8,744	8,744
Balance as at December 31, 2010	229,770	(95,519)	134,251
Balance as at January 01, 2011	229,770	(95,519)	134,251
Total comprehensive income for the half year ended June 30, 2011	-	(24,795)	(24,795)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax	-	18,653	18,653
Balance as at June 30, 2011	229,770	(101,661)	128,109
Balance as at July 01, 2011	229,770	(101,661)	128,109
Total comprehensive income for the half year ended December 31, 2011	-	(50,058)	(50,058)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax	-	16,135	16,135
Balance as at December 31, 2011	229,770	(135,584)	94,186

The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2011**

Note	For the half year ended	
	December 31, 2011	December 31, 2010
	Rupees in '000'	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(41,035)	(48,056)
Adjustments for:		
Depreciation	47,841	46,739
Impairment loss	8,090	-
Gain on disposal of property, plant & equipment	-	(693)
Provision for gratuity	4,398	4,398
Provision for workers' welfare fund	-	68
Finance cost	50,480	50,940
	110,809	101,452
Cash generated from operating activities before working capital changes	69,774	53,396
Changes in working capital		
(Increase) / Decrease in current assets :		
Spares, spares and loose tools	(4,174)	(639)
Stock in trade	40,070	72,459
Trade debts	71,102	(23,592)
Loans & advances	(1,143)	(5,713)
Short term deposits, prepayments and other receivables	1,401	(4,668)
Increase / (Decrease) in current liabilities:		
Trade and other payables	(171,324)	(56,446)
	(64,068)	(18,599)
Cash generated from operations	5,706	34,797
Finance cost paid	(45,342)	(39,631)
Gratuity paid	(1,063)	(2,504)
Taxes Paid	(12,716)	(3,045)
Net cash (used in) / generated from operating activities	(53,415)	(10,383)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(2,117)	(2,721)
Capital work-in-progress	-	(726)
Long term security deposits	185	-
Proceeds from disposal of fixed assets	-	685
Net cash used in investing activities	(1,932)	(2,762)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term loans	(66,778)	(50,695)
Repayment of finance lease liability	(6,568)	(5,874)
Net cash used in financing activities	(73,346)	(56,569)
Net decrease in cash and cash equivalents	(128,692)	(69,714)
Cash and cash equivalents at the beginning of the period	(380,899)	(342,498)
Cash and cash equivalents at the end of the period	(509,592)	(412,212)

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The annexed notes from 1 to 18 form an integral part of this condensed interim financial information.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
(UN-AUDITED)
FOR THE HALF YEAR ENDED
DECEMBER 31, 2011**

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 manufacture and sale of Poly Ethylene Terephthalat (PET) bottles and preforms for beverage and non-beverage industry. The Company's manufacturing facility and registered office is situated at 112-113, Phase-V, Industrial Estate Hattar, district Haripur, Khyber Pakhtunkhwa.

2 BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of, and directives issued under the Companies Ordinance 1984; in case, where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Companies Ordinance 1984, have been followed. This interim financial information has however been subject to limited scope review by the auditors, as required by the Code of Corporate Governance. The interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2011.

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, 2011, 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, 2010. The comparative condensed profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2011 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, 2011.

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 24: Related Party Disclosures (Revised)

IFRIC 14: Prepayments of a Minimum funding Requirement (Amendment)

In May 2010, International Accounting Standards Board (IASB) issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 7: Financial Instruments Disclosures

- Clarification of disclosures

IAS 1: Presentation of Financial Statements

- Clarification of Statement of changes in equity

IFRIC 13: Presentation of Financial Statements

- Fair Value of award credits

The adoption of the above standards, amendments, interpretations and improvements did not have any effect on these condensed interim financial statements.

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, 2011.

December 31, 2011 June 30, 2011
Note ----- Rupees in '000' -----

5 PROPERTY, PLANT & EQUIPMENT

Opening WDV	1,237,519	1,222,918
Additions to property, plant & equipment during the period		
Plant & Machinery	5.1 1,013	7,391
Factory equipment	5.1 816	3,124
Furniture and fixture	5.1 6	85
Office equipment	5.1 282	542
Capital work in progress	-	2,757
	2,117	13,899
Revaluation	-	99,167
Disposals / Transfers	-	(7,209)
Impairment	(8,090)	-
Depreciation for the period	(47,840)	(91,256)
Closing WDV	1,183,705	1,237,519

5.1 The additions disclosed are inclusive of transfers from capital work in progress amounting to Rs. Nil (June 30, 2011: Rs. 1.4 million).

December 31, 2011 June 30, 2011
Note ----- Rupees in '000' -----

6 STOCK IN TRADE

Raw material	31,195	55,168
Packing material	8,068	6,759
Work in process	6.1 42,122	58,023
Finished goods	50,365	51,870
	131,750	171,820
Provision for obsolete stocks	(3,528)	(3,528)
	128,222	168,292

6.1 During the period the inventory amounting to Rs. 3.885 millions has been written down to net realisable value of Rs. 3.023 millions.

HALF YEARLY REPORT

- 6.1** During the period the inventory amounting to Rs. 3.885 millions has been written down to net realisable value of Rs. 3.023 millions.

7 LONG TERM LOANS

Long term loans repaid during the period amounted to Rs. 66.778 millions.

8 SHORT TERM BORROWINGS - Secured

These represents short-term running finance, Finance against trust receipts and other facilities obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 14.17% to 23% (2010: 13.77% to 18%) per annum calculated on daily product basis. However company was subjected to subsidised rate of 7.5% per annum in accordance with circular 11 of SBP. 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.

During the period the company vide facility letter dated July 12, 2011 has entered into restructuring arrangement with Allied bank limited. As per such arrangement, outstanding balance as at December 31, 2011 towards Allied bank limited against running finance and FATR's facilities amounting to Rs. 24.319 million and Rs. 146.681 million respectively will be converted into long term finance. The outstanding principal under restructuring arrangement will be repayable on monthly basis starting from January 01, 2012 (repayment of Rs. 3 million in 2011-2012, Rs. 15 million in 2012-2013, Rs.106 million in 2013-2014 and Rs. 47 million in 2014-2015) and it is subject to mark up of 3 months kibar plus 2%. This finance arrangement is secured by way of First pari passu charge on fixed assets, stocks and book debts amounting to Rs. 317 million.

9 CONTINGENCIES AND COMMITMENTS

Contingencies remain same as at December 31, 2011 as disclosed in the audited financial statements for the year ended June 30, 2011. There are no commitments as at December 31, 2011 (June 30, 2011: Nil).

10 NET SALES

	Half year ended		Second quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	Rupees in '000'			
Sales	1,104,344	866,773	348,778	360,039
Less: Sales tax	(146,700)	(110,164)	(42,483)	(44,904)
Special Excise Duty 10.1	-	(6,480)	-	(2,643)
Sales return	(146,700)	(784)	-	3
	(146,700)	(117,428)	(42,483)	(47,544)
	<u>957,644</u>	<u>749,345</u>	<u>306,295</u>	<u>312,495</u>

- 10.1** During the period, FBR has withdrawn the special excise duty vide its SRO # 489(1) / 2011.

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11 COST OF SALES

	Half year ended		Second quarter ended	
	December 31, 2011	December 31, 2010	December 31, 2011	December 31, 2010
	Rupees in '000'			
Raw material consumed	687,183	478,354	198,742	208,224
Packing material consumed	31,822	24,752	8,848	8,942
Salaries, wages & other benefits	37,887	39,757	13,211	19,581
Traveling & conveyance	874	1,834	548	820
Professional charges	167	219	112	91
Vehicle repair & maintenance	3,915	3,584	2,111	1,471
Rent, rates & taxes	5,143	6,501	3,052	2,297
Repair & maintenance	2,627	2,495	1,230	1,072
Communication charges	593	805	285	342
Printing, postage & stationery	661	508	252	198
Entertainment	208	1,256	66	234
Advertisement	9	1	9	1
Insurance	3,072	3,137	1,536	1,569
Medical	659	791	659	478
Electricity, gas & water	44,552	35,487	12,885	15,937
Freight, octroi & toll tax	1,226	2,178	464	1,278
Depreciation	45,449	44,417	22,580	22,389
Transportation	4,127	3,327	1,822	1,554
Stores consumed	17,154	5,137	8,388	2,097
Lab tests	207	393	44	323
Courses & seminars fee	10	-	-	-
Provision for Impairment loss on fixed assets	8,090	-	8,090	-
Miscellaneous	199	272	96	220
	<u>895,834</u>	<u>655,205</u>	<u>285,030</u>	<u>289,118</u>
Work in process opening	58,023	102,009	76,175	92,238
Work in process closing	(42,123)	(65,404)	(42,123)	(65,404)
	<u>15,900</u>	<u>36,605</u>	<u>34,052</u>	<u>26,834</u>
Cost of goods manufactured	<u>911,734</u>	<u>691,810</u>	<u>319,082</u>	<u>315,952</u>
Finished goods				
Opening	51,870	79,936	54,874	53,862
Closing	(50,365)	(58,823)	(50,365)	(58,823)
	<u>1,505</u>	<u>21,113</u>	<u>4,509</u>	<u>(4,961)</u>
	<u>913,239</u>	<u>712,923</u>	<u>323,591</u>	<u>310,991</u>

12 Finance Cost

12.1 50,480 50,940

The terms of relief in mark up from SBP vide its circular # 11 of dated July 01, 2010 on all existing business loans to rehabilitate the economic life in Khyber Pakhtunkhwa, FATA and PATA has been ended as at December 31, 2011. With effect from January 01, 2012, the company would be subject to original rate of interest as agreed with financial institutions on all of its business loans.

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.

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(b) Segment information

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

	INJECTION			BLOWING			Total		
	Half year ended December 31, 2011	2010	Second quarter ended December 31, 2011	Half year ended December 31, 2011	2010	Second quarter ended December 31, 2011	Half year ended December 31, 2011	2010	Second quarter ended December 31, 2011
	Rupees in '000'								
Sales - Net	582,318	625,579	236,717	375,326	297,121	69,578	957,644	749,345	306,296
Cost of sales	(561,412)	(605,979)	(242,222)	(351,828)	(280,299)	(81,370)	(913,239)	(712,923)	(323,591)
Gross profit	20,906	19,600	(5,504)	23,499	16,822	(11,791)	44,405	36,422	1,504
Operating expenses:									
Distribution costs	(15,218)	(15,319)	(7,011)	(9,811)	(7,276)	(2,553)	(25,029)	(22,595)	(9,564)
Administrative expenses	(11,957)	(14,359)	(6,981)	(7,580)	(7,020)	(2,835)	(19,537)	(21,379)	(9,980)
	(27,175)	(29,678)	(13,992)	(17,391)	(14,296)	(5,552)	(44,566)	(43,974)	(19,544)
Operating profit / (loss)	(6,269)	(10,078)	(19,496)	6,108	2,526	(17,343)	(161)	(7,552)	(36,840)
Segment assets	580,359	630,419		531,975	604,987		1,112,334	1,235,406	
Unallocated assets	-	-		-	-		434,921	467,686	
	554,338	630,419		531,975	604,987		1,547,255	1,703,092	
Segment liabilities	274,617	262,206		41,221	21,113		315,838	283,319	
Unallocated liabilities	-	-		-	-		906,731	1,050,676	
	246,845	262,206		41,221	21,113		1,222,569	1,333,995	
Capital expenditure	2,117	3,483		-	4,594		2,117	8,077	
Depreciation	23,420	44,066		22,029	42,642		45,449	86,708	

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14 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, 2011	December 31, 2010
	----- Rupees in '000' -----	
Cash and bank balances	2,831	7,217
Short term borrowings	(512,423)	(417,188)
	<u>(509,592)</u>	<u>(409,971)</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.

Transactions during the period

Gratuity Paid	2,161	2,504
Provision during the period	<u>2,870</u>	<u>-</u>
Payable as on balance sheet date with:		
Provision for gratuity	<u>835</u>	<u>126</u>

16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk management objectives and policies adopted to meet these objectives were same as being followed as at June 30, 2011.

17 DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on _____ by the Board of Directors of the Company.

18 GENERAL

Figures have been rounded off to the nearest thousand rupees.



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2011

HALF YEARLY REPORT



**Financial Statements for the Half Year
ended December 31, 2011**