

Half Yearly Report

2012

EcoPack Ltd
Manufacturers Of Quality PET Bottles and Preforms

Head Office

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Registered Office and Factory

112-113, Phase V, Hattar Industrial
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EcoPack Ltd
Manufacturers Of Quality PET Bottles and Preforms

**Financial Statements for the Half Year
ended December 31, 2012**

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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 Ali Adil

COMPANY SECRETARY

Mr. Muhammed Ali Adil

BANKERS

Askari Bank Limited	MCB Bank Ltd
Habib Bank Limited	Standard Chartered Bank Ltd
Allied Bank Limited	Al-Barka Bank (Pakistan) Ltd
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

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 Estate, Hattar, District Haripur
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DIRECTORS ' REPORT

The board of directors of Ecopack Limited is pleased to present the reviewed financial statements of the Company for the 6-months period ended December 31, 2012:

Overview:

While the company made a promising beginning to the new financial year in the first quarter (July to September 2012) by posting its best after-tax profit of approximately Rs. 25 Million against Rs. 10 Million in the previous corresponding year, the subsequent second quarter leading into the winter season of low sales (October to December 2012) was lower versus the corresponding quarter of 2011. The carbonated soft drink (CSD) industry, which was already reeling from the shortage and consequent high prices of carbon dioxide (CO₂) gas, lost considerable steam in the 2nd quarter. Thus our sales dropped almost by 49% in this quarter versus the corresponding quarter last reversing the earlier quarter's profit. The GP in the last six months versus the corresponding period prior year improved by Rs. 20 million, thereby closing the half-year with an after-tax loss of Rs. 32.2 million. Directionally this is an improvement over last year's comparative 6-monthly after-tax loss of Rs. 50.0 million.

Sales & Financial Highlights:

The margin led strategy of your Company in a widely inflationary environment remains the core driver for making it profitable. Consequently bottle sales in value terms increased by 21% due to better sale pricing and improved volumes; and decreased by 49% in Preforms due to the double impact of both lower Resin prices as well as lower volume sale as compared to the corresponding period last year. Gross profit significantly increased from 4.6% last year to 8.6% due to better pricing and cost controls. Operating profit increased by Rs. 16 million as compared to an operating level break even in the same period of the previous year. Loss after tax decreased by Rs. 17.8 million (36%) i.e., loss after tax for the half year is Rs. 32.2 million as compared to the loss of Rs. 50 million in the 6-month corresponding period last year. It shows that despite the cost push factors prevailing in the market, your management partly succeeded in its efforts to mitigate these factors by better sale pricing and efficient utilization of its limited resources.

Future Outlook:

The third quarter of the current financial year is making an improved start and much promise for a turnaround in the company's fortunes rests on the early advent of spring followed by the usual strong sales in summer. On the back of rising beverage and water consumption, your company has made significant investments in the R&M of machinery and equipment as well as financial arrangements to enhance its profitable bottle sales by meeting key peak demand from customers in the high sales summer months. Your company's substantial instantaneous capacity in bottles makes it a preferred vendor to meet spill-over demand arising from the increased number of SKU's/pack sizes & drink flavours for each consumer segment, which can only be procured simultaneously from a reliable and tested vendor with adequate bottle making capacity.

Morale among management and staff remains positive as the cola giants are targeting high growth numbers and are investing heavily in trade and media to increase the market size and gain market share across the country. This will, InshaAllah, augur well for your company's sales growth and profitability for this financial year ending June 2013.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Dated : February 27, 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, 2012 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, 2011 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2012.

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 & applying analytical & 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, 2012 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi.
Dated: February 27, 2013

Chartered Accountants
Engagement Partner: **Muhammad Waseem**

CONDENSED INTERIM BALANCE SHEET
 AS AT DECEMBER 31, 2012

	Un-audited December 31, 2012	Audited June 30, 2012 Restated
Note	----- Rupees in '000' -----	
NON-CURRENT ASSETS		
Property, plant & equipment	5	1,110,351
Long term security deposits	6,754	1,157,131 6,890
CURRENT ASSETS		
Stores, spares and loose tools	6	51,822
Stock in trade	102,152	55,954 154,891
Trade debts - unsecured considered good	81,910	154,644
Loans and advances - unsecured considered good	47,460	23,993
Short term deposits, prepayments & other receivables	10,090	9,340
Taxation - Net	15,917	11,135
Cash and bank balances	2,780	14,329
	312,131	424,286
TOTAL ASSETS	1,429,236	1,588,307
SHARE CAPITAL AND RESERVES		
Authorized Share Capital		
50,000,000 (June 2012 : 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	(138,001)	(123,975)
	91,769	105,795
Surplus on revaluation of property, plant and equipment	201,644	213,466
NON-CURRENT LIABILITIES		
Long term loans - secured	7	235,315
Liabilities against assets subject to finance lease	7,695	322,213 10,396
Deferred liabilities	124,557	135,268
	367,567	467,877
CURRENT LIABILITIES		
Trade and other payables	8	272,817
Accrued mark-up	23,967	432,817 23,960
Short term borrowings - secured	328,850	241,924
Current portion of long term liabilities	142,622	102,468
	768,257	801,169
TOTAL EQUITY AND LIABILITIES	1,429,236	1,588,307
CONTINGENCIES AND COMMITMENTS	9	

The annexed notes from 1 to 19 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, 2012

	Note	Half year ended		Second quarter ended	
		December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
----- Rupees in '000' -----					
Sales - Net	10	751,224	957,644	154,808	306,295
Cost of sales	11	(686,740)	(913,239)	(173,920)	(323,591)
Gross Profit		<u>64,484</u>	<u>44,405</u>	<u>(19,112)</u>	<u>(17,296)</u>
Operating expenses					
Distribution costs		(27,729)	(25,029)	(8,211)	(7,776)
Administrative expenses		(20,686)	(19,537)	(11,092)	(11,768)
		<u>(48,415)</u>	<u>(44,566)</u>	<u>(19,303)</u>	<u>(19,544)</u>
Operating profit / (loss)		<u>16,070</u>	<u>(161)</u>	<u>(38,415)</u>	<u>(36,840)</u>
Finance costs	12	(56,596)	(50,480)	(24,413)	(24,611)
Other income		3,255	9,606	1,161	3,369
		<u>(53,341)</u>	<u>(40,874)</u>	<u>(23,252)</u>	<u>(21,242)</u>
Loss before taxation		<u>(37,271)</u>	<u>(41,035)</u>	<u>(61,667)</u>	<u>(58,082)</u>
Taxation - Current		(3,773)	(9,662)	(774)	(3,089)
- Deferred		8,832	639	3,572	639
		<u>5,059</u>	<u>(9,023)</u>	<u>4,346</u>	<u>(2,450)</u>
Loss after taxation		<u>(32,213)</u>	<u>(50,058)</u>	<u>(57,321)</u>	<u>(60,532)</u>
Loss per share - Basic and diluted		<u>(1.40)</u>	<u>(2.18)</u>	<u>(2.49)</u>	<u>(2.63)</u>

The annexed notes from 1 to 19 form an integral part of this condensed interim financial information.

 CHIEF EXECUTIVE OFFICER

 DIRECTOR

 CHIEF FINANCIAL OFFICER

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE HALF YEAR & QUARTER ENDED
DECEMBER 31, 2012

	Half year ended	Second quarter ended	December 31,	December 31,
	December 31,	December 31,	December 31,	December 31,
	2012	2011	2012	2011
	----- Rupees in '000' -----			
Loss for the period	(32,213)	(50,058)	(57,321)	(60,532)
Other comprehensive income:	-	-	-	-
Total comprehensive loss for the period transferred to equity	<u>(32,213)</u>	<u>(50,058)</u>	<u>(57,321)</u>	<u>(60,532)</u>

The annexed notes from 1 to 19 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 & QUARTER ENDED
 DECEMBER 31, 2012

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	-----	Rupees in '000'	-----
Balance as at July 01, 2011	229,770	(101,661)	128,109
Total comprehensive loss for the half year ended December 31, 2011	-	(50,063)	(50,063)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax	-	16,135	16,135
Balance as at December 31, 2011	<u>229,770</u>	<u>(135,589)</u>	<u>94,181</u>
Balance as at January 01, 2012	229,770	(135,589)	94,181
Total comprehensive loss for the half year ended June 30, 2012 - restated	-	(14,593)	(14,593)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax - restated	-	26,207	26,207
Balance as at June 30, 2012- restated	<u>229,770</u>	<u>(123,975)</u>	<u>105,795</u>
Balance as at July 01, 2012	229,770	(123,975)	105,795
Total comprehensive loss for the half year ended December 31, 2012	-	(32,213)	(32,213)
Transfer from Surplus on revaluation of Property, Plant and Equipment - net of deferred tax	-	18,187	18,187
Balance as at December 31, 2012	<u>229,770</u>	<u>(138,001)</u>	<u>91,769</u>

The annexed notes from 1 to 19 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 & QUARTER ENDED
 DECEMBER 31, 2012**

For the half year ended
 December 31, 2012 December 31, 2011

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

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation (37,272) (41,035)

Adjustments for:

Depreciation	49,191	47,841
Impairment loss	-	8,090
Gain on disposal of property, plant & equipment	441	-
Provision for bad debts	-	-
Provision for gratuity	4,989	4,398
Finance cost	56,596	50,480
	111,216	110,809

Cash generated from operating activities before working capital changes 73,944 69,774

Changes in working capital

(Increase) / Decrease in current assets :

Stores, spares and loose tools	4,132	(4,174)
Stock in trade	52,740	40,070
Trade debts	74,964	71,102
Loans & advances	(23,467)	(1,143)
Short term deposits, prepayments and other receivables	(750)	1,401

Increase / (Decrease) in current liabilities:

Trade and other payables	(162,239)	(171,324)
	(54,620)	(64,068)

Cash generated from operations 19,325 5,706

Finance cost paid	(56,589)	(45,342)
Gratuity paid	(502)	(1,063)
Taxes Paid	(8,555)	(12,716)

Net cash generated from / (used in) operating activities **(46,321)** **(53,415)**

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(2,838)	(2,117)
Capital work-in-progress	(175)	-
Long term security deposits	136	185
Proceeds from disposal of fixed assets	165	-

Net cash generated/(used) in investing activities **(2,712)** **(1,932)**

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of long term loans	(45,173)	(66,778)
Repayment of finance lease liability	(4,273)	(6,568)

Net cash generated/(used) in financing activities **(49,446)** **(73,346)**

Net decrease in cash and cash equivalents

Cash and cash equivalents at the beginning of the period **(98,478)** **(128,692)**

Cash and cash equivalents at the end of the period **(227,595)** **(380,899)**

Cash and cash equivalents at the end of the period **14** **(326,070)** **(509,592)**

The annexed notes from 1 to 19 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 & QUARTER ENDED
DECEMBER 31, 2012**

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, 2012.

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, 2012, 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, 2011. The comparative condensed profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2012 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, 2012.

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, 2012.

		December 31, 2012	June 30, 2012
5	PROPERTY, PLANT & EQUIPMENT	Note ----- Rupees in '000' -----	
	Operating fixed assets	5.1 1,103,476	1,150,431
	CWIP	<u>6,875</u>	<u>6,700</u>
		<u><u>1,110,351</u></u>	<u><u>1,157,131</u></u>
5.1	Opening WDV	1,150,431	1,231,394
	Additions to property, plant & equipment during the period		
	Plant & Machinery	1,345	2,239
	Factory equipment	1,360	24,607
	Furniture and fixture	39	6
	Office equipment	93	582
		<u>2,838</u>	<u>27,434</u>
	Disposals / Transfers	(602)	(10,158)
	Depreciation for the period	<u>(49,191)</u>	<u>(98,239)</u>
	Closing WDV	<u><u>1,103,476</u></u>	<u><u>1,150,431</u></u>

		December 31, 2012	June 30, 2012
6	STOCK IN TRADE	Note ----- Rupees in '000' -----	
	Raw material	31,963	70,456
	Packing material	8,517	7,707
	Work in process	28,957	38,514
	Finished goods	36,243	41,742
		<u>105,680</u>	<u>158,419</u>
	Provision for obsolete stocks	<u>(3,528)</u>	<u>(3,528)</u>
		<u><u>102,152</u></u>	<u><u>154,891</u></u>

6.1 During the period the inventory amounting to Rs. 37.88 millions has been written down to net realisable value of Rs. 33.89 millions.

7 LONG TERM LOANS

Long term loans repaid during the period amounted to Rs. 45.1 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 12.18% to 22.075% (June 30,2012: 13.9% to 18%) 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.

9 CONTINGENCIES AND COMMITMENTS

Contingencies remain same as at December 31, 2012 as disclosed in the audited financial statements for the year ended June 30, 2012. There are no commitments as at December 31, 2012 (June 30, 2012: Nil).

10 NET SALES

	Half year ended		Second quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- Rupees in '000' -----			
Sales	871,513	1,104,344	179,577	348,778
Less: Sales tax	<u>(120,289)</u>	<u>(146,700)</u>	<u>(24,769)</u>	<u>(42,483)</u>
	<u>751,224</u>	<u>957,644</u>	<u>154,808</u>	<u>306,295</u>

11 COST OF SALES

	Half year ended		Second quarter ended	
	December 31, 2012	December 31, 2011	December 31, 2012	December 31, 2011
	----- Rupees in '000' -----			
Raw material consumed	463,452	687,183	87,215	198,742
Packing material consumed	28,627	31,822	5,386	8,848
Salaries, wages & other benefits	47,218	42,014	20,367	15,033
Traveling & conveyance	584	874	271	548
Professional charges	351	167	317	112
Vehicle repair & maintenance	5,167	3,915	1,995	2,111
Rent, rates & taxes	4,504	5,143	2,200	3,052
Repair & maintenance	3,565	2,627	1,568	1,230
Communication charges	638	593	275	285
Printing, postage & stationery	439	661	124	252
Entertainment	233	208	88	66
Advertisement	32	9	3	9
Insurance	2,574	3,072	1,354	1,536
Medical	839	659	348	659
Electricity, gas & water	50,649	44,552	9,417	12,885
Freight, octroi & toll tax	1,157	1,226	362	464
Depreciation	46,729	45,449	22,813	22,580
Stores consumed	14,652	17,154	1,419	8,388
Lab tests	274	207	57	44
Courses & seminars fee	-	10	-	-
Provision for Impairment loss on fixed assets	-	8,090	-	8,090
Miscellaneous	-	199	-	96
	671,683	895,834	155,577	285,030
Work in process opening	38,514	58,023	49,741	76,175
Work in process closing	(28,957)	(42,123)	(28,957)	(42,123)
	9,557	15,900	20,784	34,052
Cost of goods manufactured	681,240	911,734	176,361	319,082
Finished goods				
Opening	41,742	51,870	33,801	54,874
Closing	(36,243)	(50,365)	(36,243)	(50,365)
	5,499	1,505	(2,442)	4,509
	686,740	913,239	173,920	323,591
			Note	
			December 31,	December 31,
			2012	2011
			----- Rupees in '000' -----	
12 Finance Cost			12.1	50,480
			56,596	

12.1 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 ended as at December 31, 2011. With effect from January 01, 2012, original rate of interest as agreed with financial institutions on all of its business loans is applicable.

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.

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, 2012	December 31, 2011
	----- Rupees in '000' -----	
Cash and bank balances	2,780	2,831
Short term borrowings	<u>(328,850)</u>	<u>(512,423)</u>
	<u>(326,070)</u>	<u>(509,592)</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, 2012	December 31, 2011
	----- Rupees in '000' -----	
Transactions during the period		
Gratuity Paid	502	2,161
Provision during the period	<u>4,989</u>	<u>2,870</u>
Payable as on balance sheet date with:		
Provision for gratuity	<u>-</u>	<u>835</u>

16 PRIOR YEAR ADJUSTMENT

Following balances have been restated or rearranged/reclassified as the case may be, to the comparative figures for the year ended June 30 2012:

Effect on Balance Sheet	As at June 30 2012		
	As previously reported	As restated	Difference Increase/ (decrease)
Cash and bank balances	5,329	14,329	9,000
Trade and other payable	(463,424)	(432,817)	30,607
Short term borrowings	(202,317)	(241,924)	(39,607)
Deferred tax liability	117,449	108,020	(9,429)
Retained earning	(133,404)	(123,975)	9,429
Net difference			<u>(0)</u>

17 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, 2012.

18 DATE OF AUTHORIZATION

This condensed interim financial information has been authorized for issue on February 27, 2013 by the Board of Directors of the Company.

19 GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER