Table of CONTENTS

- Vision & Mission Statement & Corporate Strategy
- Company Information
- Notice of Annual general Meeting
- Directors' Report
- Statement of Compliance with the Code of Corporate Governance
- Review Report
- Auditors' Report
- Balance Sheet
- Profit & Loss Account
- Statement of Comprehensive Income
- Statement of Changes In Equity
- Cash flow Statement
- Notes to the Accounts
- Proxy Form

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.

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Hussain Jamil	Chairman/Chief Executive Officer
Mr. Shahid Jamil	
Mr. Amjad Awan	(Alternate Director Mr. Shahid Jamil)
Mrs. Deborah Jamil	
Mrs. Ayesha Khan	
Ms. Laila Jamil	
Mr. Asad Ali Sheikh	
Mr. Mohammad Raza Chinoy	

AUDIT COMMITTEE

Mr. Asad Ali Sheikh	Chairman	Non-Executive Director
Mrs. Ayesha Khan	Member	Non-Executive Director
Ms. Laila Jamil	Member	Non-Executive Director

HUMAN RESOURCE & REMUNERATION COMMITTEE

Ms. Laila Jamil	Chairperson
Mr. Hussain Jamil	Member
Mr. Asad Ali Sheikh	Member
Mrs. Ayesha Khan	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammad Ali Adil

COMPANY SECRETARY

Mr. Muhammad Ali Adil

BANKERS

Askari Bank Limited
Habib Bank Limited
Allied Bank Limited
JS Bank Limited
MCB Bank Ltd
Standard Chartered Bank Ltd
Faysal Bank Limited

AUDITORS

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

SHARE REGISTRAR

M/s Technology Trade (Private) Limited.
Ballotter, Share Registrar & Transfer Agent

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: (0095) 617074
Website: www.ecopack.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 22nd Annual General Meeting of Ecopack Limited will be held on Friday, October 25, 2013 at 9:30 A.M. at Plot # 112-113, Phase-V, Hattar Industrial Estate, Hattar, District Haripur, Khyber Pukhtunkhwa to transact the following business:

Ordinary Business

1. To confirm the minutes of the 21st Annual General Meeting held on October 31, 2012.

2. To receive and adopt the Directors' and Auditors' report together-with Audited Accounts of the company for the year ended June 30, 2013.

3. To appoint external auditors and fix their remuneration for the year ending June 30, 2014. The present auditors M/s. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants being eligible offer themselves for re-appointment.

4. To elect seven directors in accordance with the provisions of Section 178 of the Companies Ordinance, 1984 for a period of three years commencing from October 26, 2013. The retiring directors who are eligible for re-election are:

1.	Mr. Hussain Jamil	2.	Mr. Shahid Jamil
3.	Mrs. Deborah Jamil	4.	Mrs. Ayesha Khan
5.	Mr. Asad Ali Shaikh	6.	Mr. Mohammad Raza Chinoy
7.	Ms. Laila Jamil		

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

By order of the Board

Karachi
Dated: September 6, 2013

MUHAMMED ALI ADIL
(Company Secretary)

Notes:

1. The share transfer books of the company will remain closed from October 12, 2013 to October 25, 2013. (both days inclusive).

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

3. CDC shareholder, entitled to attend and vote at this meeting, must bring with them their Computerized National Identity Cards/Passport in original along with Participants' ID Numbers and their Account Numbers to prove his/her identity, and in case of Proxy, must enclose an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the usual documents required for such purpose.

4. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan

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

6. The Board has fixed the number of directors as seven. Any person who seeks to contest election for Directorship of the Company shall file with the Company at its registered office a notice of his/her intention to offer himself/herself for election 14 days before the date of Annual General Meeting to be held on October 25, 2013.

DIRECTORS' REPORT

The board of directors of Ecopack Limited is pleased to present the Directors' Report along with the audited financial statements of the Company & Auditors' Report for the year ended 30th June, 2013:

Overview:

Despite a very good start in the first quarter of the financial year under review, early signs of a significant recovery were adversely impacted in the following 2 quarters ended December 2012 & March 2013 comprising the off-season winter months. An after-tax profit of PKR 25M achieved in Q1 ended in a after-tax loss of PKR 79.9M (reported earlier) for the 9-month period ended 31st March 2013. However, your company's management reviewed & analysed the underlying trends of strong growth in the Beverage industry and took necessary steps to prepare & position itself to meet the exponential spill-over bottle demand for carbonated soft drinks (CSD) from its long term customers ensuring excellent supply-chain arrangements due to close cooperation & a proactive interface – thus delivering value and customer satisfaction when it counted most.

The period under review displayed an improving demand & supply situation for the sales of the company's products. Contrary to the last three years when the demand:supply gap remained mostly unfavorable due to substantial capital investment in the supply site of the industry, the present scenario has greatly improved in favor of the vendor industry. In particular the demand for PET bottles is witnessing a sharp rise as bottle production capacity in the industry falls clearly short of demand. This reflects a favourable change for your company as it is well poised with its large bottle blowing capacity to gain from such a market situation.

Mr. Asad Ali Sheikh (Director Ecopack Limited) has been appointed as chairman of the audit committee, in place of Mrs. Aeysha Khan (Director Ecopack Limited), in the audit committee meeting held on September 26, 2013.

Sales & Financial Highlights

Although net sales value decreased from PKR 1.92 billion to PKR 1.77 billion mainly because of lower Preform sales volume, high margin Bottles sales in unit terms increased by 28% & in value terms by a significant 34% compared to last year. This completely mitigated the loss of sales in low margin Preforms and contributed to reversing the entire 9-month loss of PKR 79.9M posting a welcome profit after-tax of PKR 2.4 M at the end of the financial year. Gross profit increased from PKR 141.5M to PKR 251.6 M i.e. a massive increase of almost 78% over last year.

Operating profit increased sharply from 3.2% to 8.9% i.e. by Rs. 96.1 million in absolute terms. This clearly indicates that your Company has skillfully utilized it's limited available resources in order to maximize bottom line profits. An appropriate 'cost-cutting' strategy without compromising on production efficiencies has contributed to healthy margins which in turn has contributed to an improved bottom line thus achieving a significant turnaround from loss to profit. Financial charges decreased from Rs. 124 million to Rs. 117 mainly due to the reduction of long term debt.

Earning per share has been increased to Rs. 0.11 per share from Rs. 3.43 loss per share last year.

Future outlook

As reported in our earlier quarterly reports, your company's substantial instantaneous capacity in bottle production positions it as a preferred vendor to meet the significant spill-over demand arising from the increased number of SKU's/pack sizes & drink flavors for each consumer segment being simultaneously demanded by the CSD industry & Drinking Water industry. The remarkable growth engendered by the "Cola Wars" has significantly grown the size of the Soft-drinks market as the Cola giants and new entrants fight for a bigger slice of market share. The situation bodes extremely positively for the vendor industry and your company plans to take full advantage of this opportunity to serve it's growing customer base in the beverage industry.

Despite all round inflationary pressures due to substantial erosion in the value of the Pak Rupee versus the US Dollar and other hard currencies, your company's management continues on the path of cost-cutting it embarked upon a few years ago and is ready to invest in lowering it's costs especially in the areas of machine efficiency & output from existing assets. Energy Conservation is being pursued with renewed and deliberate vigor.

Employee – Management Relations

It is essential to point out that the morale of the management, staff and workers touched a new and unprecedented level of cooperation and mutual synergies were harnessed leading to greater ownership of agreed & defined targets and their consequent achievement.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Hussain Jamil
Chief Executive Officer

Dated:September 26, 2013

"ANNEXURE A"

Six Years at a Glance

Rupees in '000'

	2013	2012	2011	2010	2009	2008
Profit & Loss:						
Sales	**1,769,998**	1,921,542	1,784,754	1,742,074	1,764,852	1,763,546
Cost of sales	**1,518,302**	1,780,008	1,677,725	1,542,996	1,577,169	1,614,878
Gross Profit	**251,696**	141,534	107,029	199,078	187,683	148,668
Operating expenses	**104,271**	96,801	95,207	100,189	104,419	106,605
Net Other income	**11,006**	17,519	23,494	13,828	6,293	29,102
Operatig profit	**158,431**	62,251	35,316	112,717	89,557	71,165
Financial charges	**116,769**	124,210	104,294	138,592	195,368	142,238
Net Profit / (Loss) before taxation	**41,662**	(61,959)	(68,978)	(25,875)	(105,811)	(71,071)
Taxation	**(39,199)**	(16,871)	10,765	7,482	20,192	(8,316)
Net Profit / (Loss) after taxation	**2,463**	(78,830)	(58,213)	(18,393)	(85,619)	(79,387)
Balance Sheet						
Shareholders' equity	**135,156**	91,621	128,109	180,454	180,124	255,590
Surplus on Revaluation of Fixed Assests	**187,002**	213,466	240,988	193,672	213,329	82,689
Financing facilities	**184,732**	332,610	180,649	331,522	438,205	577,544
Deffered Liabilities	**173,099**	149,439	161,653	140,359	151,106	96,812
Fixed assets (net of depreciation)	**1,084,692**	1,164,021	1,245,793	1,233,640	1,278,116	1,095,989
Current Assets	**535,663**	424,286	457,299	443,093	572,711	699,565
Current Liabilities	**940,366**	801,171	991,693	830,726	868,063	782,919
Key Financial Ratios:						
Gross profit	**14.22%**	7.37%	6.00%	11.43%	10.63%	8.43%
Operating profit	**8.95%**	3.24%	1.98%	6.47%	5.07%	4.04%
Profit before tax to net sales	**2.35%**	-3.22%	-3.86%	-1.49%	-6.00%	-4.03%
Return on capital employed	**8.2%**	-9.7%	-12.5%	-3.7%	-12.7%	-7.8%
Inventory turnover (times)	**2.43**	2.75	2.10	1.67	1.43	1.14
Fixed assets turnover (times)	**1.63**	1.65	1.43	1.41	1.38	1.61
Debt equity ratio	**52:48**	59:41	49 : 51	55 : 45	52 : 48	63 : 37
Current ratio	**0.57**	0.53	0.46	0.53	0.66	0.89
Earnings per share	**0.11**	(3.43)	(3.47)	(0.80)	(3.72)	(3.65)

"ANNEXURE B" TO THE DIRECTORS' REPORT COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

As required under the Code of Corporate Governance dated April 11, 2012, we are pleased to state as follows:

1. The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash-flows and changes in equity.

2. Proper books of accounts have been maintained.

3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.

4. International financial reporting standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure there-from has been adequately disclosed and explained.

5. The system of internal control is sound in design and has been effectively implemented and monitored.

6. There are no significant doubts on company's ability to continue as a going concern.

7. There has been no departure from the best practice of corporate governance, as detailed in the listing regulations.

8. Key operating and financial data for the last six years in summarized form has been attached with the directors report as Annexure "A".

9. The Company has not declared any cash dividend (2012 – NIL) or bonus shares (2012 – NIL) due to minimal profit for the year.

10. There are no outstanding statutory payments on account of taxes, levies and charges except of normal and routine nature.

11. The company maintains a funded provident fund scheme and a sum of Rs. 9.72 million is invested in various schemes duly approved by Govt. of Pakistan for Provident Fund investment. The Gratuity scheme is un-funded and no investment has been made for that.

12. During the year 04 board of Directors & 04 Audit Committee meetings were held and the attendance of each director is given below:

a) Board of Directors Meetings:-

Name of Directors	No. of Meetings Attended
Mr. Hussain Jamil	04
Mr. Shahid Jamil	01
Mr. Amjad Awan (Alternate Director of Mr. Shahid Jamil)	03
Mrs. Deborah Jamil	04
Mrs. Ayesha Khan	03
Ms. Laila Jamil	04
Mr. Asad Ali Sheikh	04
Mr. Mohammad Raza Chinoy	03

b) Audit Committee Meetings:-

Name of Members	No. of Meetings Attended
Mrs. Ayesha Khan	03
Ms. Laila Jamil	04
Mr. Asad Ali Sheikh	04

13. Mr. Mohammad Raza Chinoy (Director) has attended and qualified the Director's Training Program during the year 2012-2013.

14. Trading of shares by Directors, Chief Financial Officer & Secretary of the Company during the year 2012-2013 is as under:

Name	Designation	No. of Shares Acquired / (Sold)
Mr. Hussain Jamil	Chief Executive Officer	Nil
Mr. Shahid Jamil	Director	Nil
Mr. Amjad Awan	(Alternate Director of Mr. Shahid Jamil)	Nil
Mrs. Deborah Jamil	Director	Nil
Mrs. Ayesha Khan	Director	Nil
Ms. Laila Jamil	Director	Nil
Mr. Asad Ali Sheikh	Director	Nil
Mr. Mohammad Raza Chinoy	Director	Nil
Mr. Muhammed Ali Adil	Chief Financial Officer	Nil

AUDITORS:

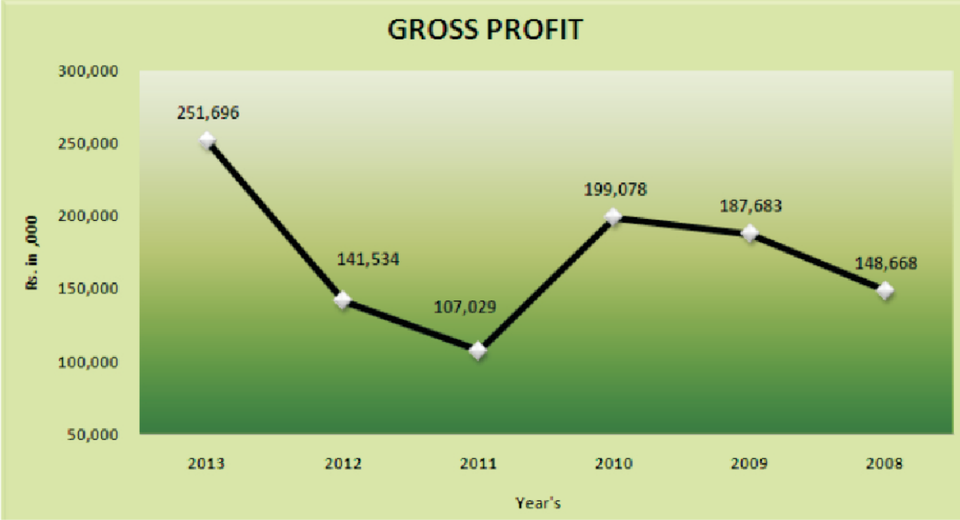
The present Auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire and being eligible have offered themselves for re-appointment for the financial year 2013-2014.

For & on behalf of the Board of Directors

Karachi.
Dated: September 26, 2013

HUSSAIN JAMIL
(CHIEF EXECUTIVE OFFICER)


SALES
2,000,000
1,875,000
1,750,000
1,625,000
1,500,000
Rs. in '000
1,769,998
1,921,542
1,784,754
1,742,074
1,764,852
1,763,546
2013
2012
2011
2010
2009
2008
Year's


GROSS PROFIT
300,000
250,000
200,000
150,000
100,000
50,000
Rs. in ,000
251,696
141,534
107,029
199,078
187,683
148,668
2013
2012
2011
2010
2009
2008
Year's


OPERATING PROFIT
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
Rs. '000
158,431
62,251
35,316
112,717
89,557
71,165
2013
2012
2011
2010
2009
2008
Year's

PATTERN OF SHARE HOLDING (Form 34)
THE COMPANIES ORDINANCE 1984

AS AT JUNE 30,2013

Serial No	No. Of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage %
1	494	1	100	17,678	0.08%
2	852	101	500	221,376	0.96%
3	341	501	1000	282,348	1.23%
4	595	1001	5000	1,265,140	5.51%
5	83	5001	10000	647,307	2.82%
6	20	10001	15000	238,329	1.04%
7	18	15001	20000	318,810	1.39%
8	6	20001	25000	147,500	0.64%
9	5	25001	30000	140,000	0.61%
10	1	30001	35000	35,000	0.15%
11	3	35001	40000	114,315	0.50%
12	2	40001	45000	87,136	0.38%
13	5	45001	50000	239,504	1.04%
14	2	50001	55000	104,881	0.46%
15	1	65001	70000	65,684	0.29%
16	2	70001	75000	145,000	0.63%
17	1	95001	100000	100,000	0.44%
18	4	100001	105000	407,932	1.78%
19	1	105001	110000	110,000	0.48%
20	1	120001	125000	123,871	0.54%
21	1	130001	135000	132,000	0.57%
22	1	135001	140000	137,635	0.60%
23	1	155001	160000	157,000	0.68%
24	1	165001	170000	166,500	0.72%
25	1	230001	235000	233,159	1.01%
26	1	280001	285000	282,500	1.23%
27	1	385001	390000	389,168	1.69%
28	1	490001	495000	492,055	2.14%
29	1	545001	550000	549,910	2.39%
30	1	645001	650000	649,631	2.83%
31	1	795001	800000	797,610	3.47%
32	1	1040001	1045000	1,044,239	4.54%
33	1	1375001	1380000	1,376,271	5.99%
34	1	2130001	2135000	2,132,906	9.28%
35	1	2235001	2240000	2,237,781	9.74%
36	1	3385001	3390000	3,386,793	14.74%
37	1	3995001	4000000	4,000,000	17.41%
	2,454	Total Shares Held		22,976,969	100.00%

CATEGORIES OF SHAREHOLDERS

S.NO	Name	Number of Share Holders	Total Shares Held	Percentage
1	**Associated Companies, undertaking and related parties**	NIL	NIL	0.00%
2	**Banks, Development Financial Institutions & Non Banking Financial Institutions:-**			
	National Development Fin.Corp.Investor,	1	7,037	0.031%
	Escorts Investment Bank Limited	1	22,500	0.098%
	Samba Bank Limited	1	549,910	2.393%
	National Bank of Pakistan	1	240	0.001%
	Sub-Total:	**4**	**579,687**	**2.523%**
3	**Directors, Chief Executive Officer and their Spouse and Minor Children:-**			
	Mr. Hussain Jamil	1	4,000,000	17.409%
	Mr. Shahid Jamil	1	798,110	3.474%
	Mrs. Ayesha Khan	1	671,668	2.923%
	Mrs. Deborah Jamil	1	243,670	1.060%
	Mr. Mohammad Raza Chinoy	1	500	0.002%
	Mr. Asad Ali Sheikh	1	500	0.002%
	Ms. Laila Jamil	1	500	0.002%
	Mr. Ahsan Jamil	1	3,386,793	14.740%
	Sub-Total:	**8**	**9,101,741**	**39.612%**
4	**Modarabas And Mutual Funds:-**			
	Prudential Stock Fund Ltd.	1	115,865	0.504%
	Modaraba Al-Mali	1	15,000	0.065%
	Sub-Total:	**2**	**130,865**	**0.570%**
5	**NIT AND ICP**			
	M/S. Investment Corporation Of Pakistan	1	95	0.000%
	IDBL (ICP UNIT)	1	295	0.001%
	Sub-Total:	**2**	**390**	**0.002%**
6	**Foreign Investors:-**			
	M/S Somers Nominee (Far East) Limited	1	6,241	0.027%
	Habibsons Bank Ltd - Client Account	1	110,000	0.479%
	Sub-Total:	**2**	**116,241**	**0.506%**

CATEGORIES OF SHAREHOLDERS

S.No	Name	Number of Share Holders	Total Shares Held	Percentage
7	**Others**			
	Prudential Securities Limited	1	607	0.003%
	Y.S. Securities & Services (Pvt) Ltd.	1	700	0.003%
	Ace Securities (Pvt.) Limited	1	5,000	0.022%
	Highlink Capital (Pvt) Ltd	1	3,000	0.013%
	Capital Vision Securities (Pvt) Ltd.	1	4,585	0.020%
	Time Securities (Pvt.) Ltd.	1	1,016	0.004%
	H.S.Z. Securities (Private) Limited	1	1,000	0.004%
	Stock Master Securities (Private) Ltd.	1	1,200	0.005%
	Abbasi Securities (Private) Limited	1	499	0.002%
	Darson Securities (Pvt) Limited	1	1,073	0.005%
	Saao Capital (Pvt) Limited	1	25,000	0.109%
	Mak Securities (Private) Limited	1	2,000	0.009%
	Hk Securities (Pvt) Ltd.	1	40	0.000%
	Muhammad Ahmed Nadeem Securities (Smc-Pvt)	1	505	0.002%
	Mam Securities (Pvt) Limited	1	99	0.000%
	Dr. Arslan Razaque Securities (Smc-Pvt)	1	1,073	0.005%
	Value Stock Securities Private Limited	1	2,000	0.009%
	M.S Maniar Financials (Pvt) Ltd.	1	6,465	0.028%
	Ghani Osman Securities (Private) Limited	1	2,291	0.010%
	Mazhar Hussain Securities (Pvt) Ltd	1	7,000	0.030%
	Invest Capital Markets Limited	1	10,000	0.044%
	Fikree's (SMC-Pvt) Ltd.	1	16,501	0.072%
	M/S. Freedom Enterprises (Pvt) Ltd.	1	2,518	0.011%
	Sub-Total:	**23**	**94,172**	**0.410%**
8	**Individual**			
	Local - Individuals	2,413	12,953,873	56.378%
	Sub-Total:	**2,413**	**12,953,873**	**56.378%**
	Grand Total:	**2,454**	**22,976,969**	**100%**
	Share holding 10% or more voting interest			
	Hussain Jamil	**1**	**4,000,000**	17.409%
	Ahsan Jamil	**1**	**3,386,793**	14.740%
	Total	**2**	**7,386,793**	**32.149%**

Statement of Compliance with the Code of Corporate Governance

Ecopack Limited Year Ended June 30, 2013

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of The Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Asad Ali Sheikh
Executive Directors	Mr. Hussain Jamil / Mr. Mohammad Raza Chinoy
Non-Executive Directors	Mr. Shahid Jamil, Mrs. Deborah Jamil, Mrs. Ayesha Khan Ms. Laila Jamil & Mr. Amjad Awan (Alternate Director of Mr.Shahid Jamil)

The independent directors meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

6. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

8. The board arranged 01 training program for its director during the year.

9. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

11. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

13. The company has complied with all the corporate and financial reporting requirements of the CCG.

14. The board has formed an Audit Committee. It comprises three members, all of them are non-executive directors and the chairman of the committee is an independent director.

15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

16. The board has formed an HR and Remuneration Committee. It comprises four members, of whom three are non-executive directors and the chairman of the committee is a non-executive director.

17. The board has set up an effective internal audit function; who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors haveconfirmed that they have observed IFAC guidelines in this regard.

20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

22. We confirm that all other material principles enshrined in the CCG have been complied with.

Karachi.
Dated: September 26, 2013

HUSSAIN JAMIL
(CHIEF EXECUTIVE OFFICER)

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **EcopackLimited** ("the Company"), to comply with the Listing Regulations of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of the audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Boards statement on internal control covers all risks and control, or to form an opinion on the effectiveness of such internal controls, the company corporate governance procedures and risks.

Further, Sub-Regulation (xiii a) of Listing Regulations 35 notified by the Karachi Stock Exchange Limited requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in the arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2013.

Karachi.
Date: September 25, 2013

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ECOPACK LIMITED as at June 30, 2013, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion;

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet and profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2013 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Karachi.
Dated: September 26, 2013

RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
CHARTERED ACCOUNTANTS
Muhammad Wasim

BALANCE SHEET

AS AT JUNE 30, 2013

	Notes	2013	2012
		----- Rupees in '000' -----	
ASSETS			Restated
NON-CURRENT ASSETS			
Property, plant and equipment	4	1,077,226	1,157,131
Security deposits		6,754	6,890
Intangibles		712	-
		1,084,692	1,164,021
CURRENT ASSETS			
Stores, spares and loose tools	5	51,229	55,954
Stock in trade	6	157,447	154,891
Trade debts	7	227,427	154,644
Loans and advances	8	30,133	23,993
Deposits, prepayments and other receivables		29,709	9,340
Taxation - net		15,429	11,135
Cash and bank balances	9	24,289	14,329
		535,663	424,286
		1,620,355	1,588,307
EQUITY AND LIABILITIES			
EQUITY			
Authorized capital			
50,000,000 (2012:50,000,000) ordinary shares of Rs.10/- each		500,000	500,000
Issued, subscribed and paid-up capital	10	229,770	229,770
Accumulated loss		(94,614)	(138,149)
		135,156	91,621
Surplus on revaluation of property, plant and equipment	11	187,002	213,466
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loans	12	180,890	322,214
Liabilities against assets subject to finance lease	13	3,842	10,396
Deferred liabilities	14	173,099	149,439
		357,831	482,049
CURRENT LIABILITIES			
Trade and other payables	15	445,743	432,819
Accrued mark - up	16	19,846	23,960
Short term borrowings - secured	17	311,778	241,924
Current portion of non-current liabilities	18	162,999	102,468
		940,366	801,171
Contingencies and commitments	19		
		1,620,355	1,588,307

The annexed notes 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER　　　　　DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2013

	Notes	2013	2012
		----- Rupees in '000' -----	
Sales - net	20	**1,769,998**	1,921,542
Cost of sales	21	**(1,518,302)**	(1,780,009)
Gross profit		**251,696**	141,533
Distribution cost	22	**(60,653)**	(57,112)
Administrative expenses	23	**(43,618)**	(39,689)
Other operating income	24	**15,035**	17,519
Other operating expense	25	**(4,029)**	-
		(93,265)	(79,282)
Profit from operations		**158,431**	62,251
Finance cost	26	**(116,769)**	(124,210)
Profit / (loss) before taxation		**41,662**	(61,959)
Taxation	27	**(39,199)**	(16,871)
Profit / (loss) after taxation		**2,463**	(78,830)
		----- Rupees -----	
Earnings per share - basic and diluted	28	**0.11**	(3.43)

The annexed notes 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2013

	2013	2012
	----- Rupees in '000' -----	
Profit / (loss) after taxation	**2,463**	(78,830)
Other comprehensive income		
Transfer from surplus on revaluation of fixed assets in respect of		
- incremental depreciation - net of tax	**40,937**	42,342
- related deferred tax on surplus on land	**135**	-
	41,072	42,342
Total comprehensive income / (loss) for the year	**43,535**	(36,488)

The annexed notes 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2013

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL
	----------------------	Rupees in '000'	----------------------
Balance as at June 30, 2011	229,770	(101,661)	128,109
Loss after tax for the year	-	(78,830)	(78,830)
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax -	-	42,342	42,342
Balance as at June 30, 2012	**229,770**	**(138,149)**	**91,621**
Profit after tax for the year	**-**	**2,463**	**2,463**
Transfer from surplus on revaluation of property, plant and equipment - net of deferred tax	**-**	**41,072**	**41,072**
Balance as at June 30, 2013	**229,770**	**(94,614)**	**135,156**

The annexed notes 1 to 39 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2013

	Notes	2013	2012
		----- Rupees in '000' -----	
			Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	**185,955**	266,639
Finance cost paid		**(120,883)**	(108,354)
Gratuity paid		**(1,262)**	(4,668)
Taxes paid		**(12,803)**	(5,316)
Net cash generated from operating activities		**51,007**	148,301
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		**(25,376)**	(27,435)
Capital work - in - progress		**-**	(575)
Purchase of intangible assets		**(750)**	-
Proceeds from disposal of property, plant and equipment		**2,436**	3,241
Security deposits		**136**	1,384
Net cash used in investing activities		**(23,554)**	(23,385)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		**(77,950)**	(81,422)
Obtained long term loan		**-**	171,000
Repayment of finance lease liability		**(9,397)**	(14,815)
Net cash (used in) / generated from financing activities		**(87,347)**	74,763
Net (decrease) / increase in cash and cash equivalents		**(59,894)**	199,679
Cash and cash equivalents at the beginning of the year		**(227,595)**	(427,274)
Cash and cash equivalents at the end of the year		**(287,489)**	**(227,595)**
Cash and cash equivalents comprises of :			
Cash and bank balances		**24,289**	14,329
Short term borrowings		**(311,778)**	(241,924)
		(287,489)	(227,595)

The annexed notes 1 to 39 form an integral part of these financial statements

CHIEF EXECUTIVE OFFICER **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013

1. STATUS AND NATURE OF BUSINESS

Ecopack Limited ("the Company") was incorporated on August 25, 1991 as a private limited Company under Companies Ordinance, 1984. Subsequently, it was converted into a public limited Company on April 29, 1992 and thereafter, in March 1994 has listed its shares on Karachi Stock Exchange.

The principal business activity of the Company is manufacturing and sale of Polyethylene Terephthalate (PET) bottles and preforms for the market of Beverages and other liquid packaging industry. The Company has its registered office and manufacturing facility located at Hattar Industrial Estate, Khyber Pakhtunkhawa.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is the functional and presentation currency of the Company.

2.4 Use of estimates and judgments

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

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the financial statements or where judgments were exercised in application of accounting policies are as follows:

		Note
i)	Provision for staff retirement benefits	3.7
ii)	Provision for slow moving and obsolete stock in trade	3.4
iii)	Estimation for impairment of trade debts	3.5
iv)	Provision for taxation	3.8
v)	Provision for slow moving and obsolete store, spares and loose tools	3.3
vi)	Useful life and residual values of property, plant and equipment	3.1

2.5 Initial application of standards, amendments or an interpretation to existing standards

a) Adoption of new accounting standards
The company has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 1 — Presentation of Financial Statements - (Effective from the periods beginning on or after July 1, 2012) Amendments to revise the way other comprehensive income is presented.

The Company expects that the adoption of the above new and amended standard will not have any significant effect on the Company's financial statements in the period of initial application except for certain additional disclosures.

b) Standards not yet effective
Following are the new and amended standards that have been issued and are mandatory for the accounting periods effective from the dates mentioned below against the respective revised standards:

IAS 12 — Income Tax (Amendment) - (Effective from the periods beginning on or after July 1, 2013) Deferred Taxes : Recovery of Underlying Assets.

IAS 19 — Employee Benefits - (Effective from the periods beginning on or after July 1, 2013) Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects

IAS 32 — Financial Instruments - 'Offsetting Financial Assets and Financial Liabilities' effective from January 1, 2014

IFRS 7 — Financial Instruments - 'Disclosures - Offsetting Financial Assets and Financial Liabilities', effective from January 1, 2013

There are a number of amendments in other IFRS and IAS which are part of annual improvement project published in 2013 (not addressed above). These amendments are unlikely to have any impact on the Company's financial information and therefore have not been analysed in detail.

c) Standards issued by IASB but not yet notified by SECP
Following new standards have been issued by International Accounting Standards Board (IASB) which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP) for the purpose of applicability in Pakistan.

IFRS 1 — First-time Adoption of International Financial Reporting Standards

IFRS 9 — Financial Instruments

IFRS 10 — Consolidated Financial Instruments

IFRS 11 — Joint Arrangements

IFRS 12 — Disclosure Of Interest In Other Entities

IFRS 13 — Fair Value Measurement

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The Significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property, plant and equipment

Owned
These are stated at cost less accumulated depreciation and accumulated impairment loss, if any except for free hold land, factory building and plant and machinery which are stated at revalued amount less accumulated depreciation and accumulated loss, if any. Cost of an asset comprises acquisition and other costs which are directly attributable to the asset.

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specified assets as and when assets are available for use.

Any surplus arising on revaluation of plant and machinery is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of plant and machinery (net of deferred taxation) is transferred directly to retained earning / unappropriated profit.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized. The related balance of surplus on revaluation of such item, if any, is transferred directly to retained earnings (unappropriated profits).

Depreciation is charged to profit and loss account applying either straight line method or written down value method whereby the cost or revalued amount of an asset is written off over its useful life at the rates specified in note 4 the financial statements. Depreciation on additions is charged from the month in which asset is available for use and on disposals up to the month immediately preceding that of deletion.

The assets' residual values, useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at June 30, 2013 did not require any adjustment as its impact is considered insignificant.

Leased

Assets subject to finance lease are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets each determined at the inception of lease. Subsequent to initial recognition, the asset is stated at the amount determined at initial recognition less accumulated depreciation and impairment losses, if any.

Leased assets are depreciated on reducing balance method at the rates specified in note 4 to the financial statements as disclosed in the fixed asset schedule to the financial statements.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred. Intangible assets are amortized using the straight line method over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3.3 Stores, spares and loose tools

Stores, spares and loose tools excluding items in transit are valued at lower of average cost and net realizable value. Provision is made for slow moving and obsolete items. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the balance sheet date.

Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding there future usability.

3.4 Stock-in-trade

Raw materials and packing materials are valued at average cost and finished goods are valued at lower of average cost and net realizable value.

Work-in-process is valued at average cost of raw materials including a proportionate of manufacturing overheads. Raw material in transit is valued at invoice value plus other charges paid thereon.

Net realizable value signifies the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to be incurred to make the sale.

Provisions are made in the financial statements for obsolete and slow moving inventory based on management's best estimate regarding there future usability.

3.5 Trade and other receivables

Trade and other receivables are carried at original invoice amount / cost, which is the fair value of the consideration to be received, less an estimate made for doubtful receivables which is determined based on management review of outstanding amounts and previous repayment pattern. Balance considered bad and irrevocable are written off.

3.6 Financial Instruments

3.6.1 Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, held to maturity, loans and receivables, and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's loans and receivables comprise 'trade debts', 'proceed receivable', 'short term loans', 'trade deposits and other receivables' and 'cash and cash equivalents' in the balance sheet.

c) Held to maturity financial assets

Held to maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity with a positive intention and ability to hold to maturity. There were no held to maturity financial assets at the reporting date.

d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose off it within 12 months of the end of the reporting date. There were no available for sale financial asset at the reporting date.

3.6.2 Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account within income / expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit and loss account as part of operating income when the Company's right to receive payments is established.

Changes in fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as 'gains and losses from investment securities'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account as part of other income. Dividends on available for sale equity instruments are recognised in the profit and loss account as part of other income when the Company's right to receive payments is established.

3.6.3 Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is carried out by the company on annual basis and the related impairment is recognised in the profit and loss account.

3.7 Staff Retirement Benefits

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

3.7.1 Defined benefit plan

A defined benefit plan is post employment benefit plan other than a defined contribution plan. The company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in current and prior periods, that benefit is discounted to determine its present value. The calculation is performed annually by a qualified actuary using the projected unit credit method. The Gratuity scheme is unfunded and covers those permanent employees & management staff of the Company who have completed prescribed qualifying period of service. Provision is made annually to cover obligations under the scheme on the basis of actuarial valuation.

Past service cost is recognized immediately to the extent that the benefits are already vested. For non-vested benefits past service cost is amortized on the straight line basis over the average period until the amended benefits become vested.

Actuarial gains or losses in excess of 10% of the present value of defined value obligations, are amortised over the expected average remaining working lives of the employees participating in the plan. The following significant assumptions are used for valuation of these schemes.

Discount rate	10.5% Per annum
Expected rate of increase in salary level	10.5% Per annum
Average expected remaining working life time of employees	7 years

3.7.2 Defined contribution plan

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

3.8 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity respectively.

Current

The current income tax charge is based on the taxable income for the year calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date or minimum or turnover tax under Income Tax Ordinance, 2001, whichever is higher and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences at the balance sheet date between the tax base and carrying amount of assets and liabilities for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and carry forward of unused tax losses can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The amount of deferred tax provided is based on the expected manner of realization of the carrying amount of assets and liabilities, using the rates that are expected to apply to the period when the difference reverse based on tax rates that have been enacted at the balance sheet date.

3.9 Impairment of non-financial assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Whenever the carrying amount of these assets exceed their recoverable amount, an impairment loss is recognized in the profit and loss account for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversal of impairment loss is restricted to the original cost of the asset.

3.10 Borrowing costs

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

3.11 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognised amount and the company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

3.12 Segment reporting

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

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

1) Injection — this represents manufacture and sale of Polyethylene Terephthalate (PET) preforms for beverage and non-beverage industry.

2) Blowing — this represents manufacture and sale of Polyethylene Terephthalate (PET) bottles for beverage and non-beverage industry.

3.12 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognised on the following basis:

- Sales revenue is recognized on dispatch of goods to customers.

- Mark-up / interest income is recognized on a time proportion basis that takes into account the effective yield.

3.13 Foreign currency transactions and translation

Foreign currencies are translated into reporting currency at the rates of exchange prevailing on the date of transactions. Monetary assets and liabilities denominated in foreign currencies are translated into reporting currency equivalents using year-end spot foreign exchange rates. Non-monetary assets are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency translations are included in income currently.

3.14 Dividend

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

3.15 Provisions

Provision is recognized when, as a result of past event, the company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Subsequently, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.16 Related party transactions

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

4. PROPERTY, PLANT AND EQUIPMENT

		2013	2012
		----- Rupees in '000' -----	
Operating fixed assets	4.1	**1,074,154**	1,150,431
Capital work-in-progress	4.2	**3,072**	6,700
		1,077,226	1,157,131

4.1 Operating fixed assets

	ASSETS OWNED BY THE COMPANY							LEASED ASSETS		Total
	Freehold land	Factory building and roads	Plant and machinery	Factory equipments	Furniture and fixture	Office equipment	Vehicles	Vehicles	Plant and machinery	
	----------Rupees in '000'----------									
Cost and revaluation	5,700	81,734	1,579,287	101,581	5,860	19,366	14,167	8,465	56,832	**1,872,992**
Accumulated depreciation	-	(17,564)	(526,349)	(67,056)	(2,610)	(7,885)	(9,535)	(3,880)	(6,720)	**(641,599)**
	5,700	**64,170**	**1,052,938**	**34,525**	**3,250**	**11,481**	**4,632**	**4,585**	**50,112**	**1,231,393**
Year ended June 30, 2012										
Opening net book value	5,700	64,170	1,052,938	34,525	3,250	11,481	4,632	4,585	50,112	**1,231,393**
Additions during the year	-	-	2,240	24,607	6	582	-	-	-	**27,435**
Disposals / transfers										
Cost	-	-	23,145	(15,517)	-	(137)	(6,829)	-	(23,145)	**(22,483)**
Accumulated depreciation	-	-	(4,754)	7,427	-	29	4,869	-	4,754	**12,325**
	-	-	18,391	(8,090)	-	(108)	(1,960)	-	(18,391)	**(10,158)**
Depreciation for the year	-	(3,236)	(78,179)	(11,249)	(331)	(1,172)	(882)	(917)	(2,273)	**(98,239)**
	5,700	**60,934**	**995,390**	**39,793**	**2,925**	**10,783**	**1,790**	**3,668**	**29,448**	**1,150,431**
As at July 01, 2012										
Cost and revaluation	5,700	81,734	1,604,672	110,671	5,866	19,811	7,338	8,465	33,687	**1,877,944**
Accumulated depreciation	-	(20,800)	(609,282)	(70,878)	(2,941)	(9,028)	(5,548)	(4,797)	(4,239)	**(727,513)**
	5,700	**60,934**	**995,390**	**39,793**	**2,925**	**10,783**	**1,790**	**3,668**	**29,448**	**1,150,431**
Year ended June 30, 2013										
Opening net book value	5,700	60,934	995,390	39,793	2,925	10,783	1,790	3,668	29,448	**1,150,431**
Additions during the year	-	3,543	4,058	16,711	142	922	-	-	-	**25,376**
Inter-transfers										
Cost	-	-	7,262	2,992	-	-	5,054	(5,054)	(10,254)	-
Accumulated depreciation	-	-	(1,878)	(239)	-	-	(3,351)	3,351	2,117	-
	-	-	5,384	2,753	-	-	1,703	(1,703)	(8,137)	-
Disposals										
Cost	-	-	(9,880)	-	-	(121)	(1,036)	(22)	-	**(11,059)**
Accumulated depreciation	-	-	7,037	-	-	10	826	19	-	**7,892**
	-	-	(2,843)	-	-	(111)	(210)	(3)	-	**(3,167)**
Depreciation for the year	-	(3,086)	(77,669)	(14,030)	(298)	(1,095)	(296)	(699)	(1,313)	**(98,486)**
	5,700	**61,391**	**924,320**	**45,227**	**2,769**	**10,499**	**2,987**	**1,263**	**19,998**	**1,074,154**
As at June 30, 2013										
Cost and revaluation	5,700	85,277	1,606,112	130,374	6,008	20,612	11,356	3,389	23,433	**1,892,261**
Accumulated depreciation	-	(23,886)	(681,792)	(85,147)	(3,239)	(10,113)	(8,369)	(2,126)	(3,435)	**(818,107)**
	5,700	**61,391**	**924,320**	**45,227**	**2,769**	**10,499**	**2,987**	**1,263**	**19,998**	**1,074,154**
Rate of depreciation	**-**	**5%-10%**	**5%-20%**	**10%-50%**	**10%**	**10%**	**20%**	**20%**	**5%**	

	2013	2012
	----- Rupees in '000' -----	
4.1.1 Depreciation charge has been allocated as follows:		
Cost of sales	93,562	93,328
Administrative expenses	4,924	4,911
	98,486	98,239

4.1.2 The company revalued certain operating fixed assets, in 1995-96, 2003-04, 2008-09 and 2010-11 which had resulted in a surplus of Rs. 92.5 million, Rs. 141 million Rs. 216.6 million and Rs 99 million respectively. These revaluations had been carried out by M/s Iqbal A.Nanjee & company, independent valuer, taking market value or depreciated replacement cost, as applicable, as a basis of valuation. The incremental values at the date of revaluation of the revalued operating property, plant and equipment are being depreciated over the remaining useful lives of these assets.

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

	2013	2012
Freehold land	**2,995**	2,995
Factory building and roads	**34,208**	32,295
Plant and machinery	**667,759**	715,554
	704,962	750,844

4.1.4 Particulars of disposal of operating fixed assets

Particulars	Cost	Acc. Depreciation	Carrying value	Sale proceeds	Gain / (Loss)	Mode of disposal	Particulars of purchaser
	-----Rupees in '000'-----						
Suzuki Alto -HZ-189	379	314	65	354	289	Negotiation	Mr. Syed Azmat Ali Shah
Daihatsu Coure-AKX-436	495	382	113	163	50	As per Co, Policy	Mr. S.M. Askari
Misc items of Vehicles already sold	185	149	36	-	(36)	Written off	NIL
Cargo Lift	371	94	277	156	(121)	Negotiation	Muhammad Arshad
High Frequency Corona Treatment	1,032	817	215	121	(94)	Negotiation	Muhammad Arshad
Low Density Polyethylene Blow-Up Film Extruders	4,135	3,270	865	488	(377)	Negotiation	Muhammad Arshad
Mixing Machine for Plastic Moulding machine	245	196	49	28	(21)	Negotiation	Muhammad Arshad
Neck Cutting Machine	721	574	147	83	(64)	Negotiation	Muhammad Arshad
Polyethene Bag Bottom Sealed	427	338	89	50	(39)	Negotiation	Muhammad Arshad
Extruder 1	2,268	1,748	520	79	(441)	Negotiation	Mr. Muhammad Jameel
Blow Moulds	680	-	680	800	120	Negotiation	Qarshi Industries (Pvt) Ltd
Laptop Sony VAIO	91	8	83	86	3	Insurance Claim	NIL
Black berry	30	2	28	28	-	Negotiation	Mr. Azam Javaid
June 2013	**11,059**	**7,892**	**3,167**	**2,436**	**(731)**		
June 2012	6,953	4,894	2,059	3,241	1,182		

4.2 This represents the amount incurred on the implementation of ERP and the related training of the staff.

5. STORES, SPARES AND LOOSE TOOLS

	2013	2012
	----- Rupees in '000' -----	
Stores and spares	51,330	56,364
Loose tools	1,806	1,497
	53,136	57,861
Provision against slow moving stores and spares	(1,907)	(1,907)
	51,229	55,954

6. STOCK IN TRADE

	2013	2012
Raw material	52,209	70,456
Packing material	12,202	7,707
Work in process	56,002	38,514
Finished goods	40,562	41,742
	160,975	158,419
Provision for obsolete stocks	(3,528)	(3,528)
	157,447	154,891

7. TRADE DEBTS

	2013	2012
Secured	36,050	-
Unsecured		
Considered good	191,377	154,644
Considered doubtful	4,895	5,111
	196,272	159,755
Provision against doubtful debts	(4,895)	(5,111)
	227,427	154,644

8. LOANS AND ADVANCES

	2013	2012
Advances:		
to suppliers	24,497	18,943
for expenses	3,247	1,537
	27,744	20,480
Loan to employees	2,389	3,513
	30,133	23,993

		2013	2012
9. CASH AND BANK BALANCES		----- Rupees in '000' -----	
Cash in hand		**21**	29
Cash at bank - current		**24,268**	14,300
		24,289	14,329
10. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
- 10,262,664(2012: 10,262,664) Ordinary shares of Rs. 10/- each issued against cash		**102,627**	102,627
- 12,714,307 (2012: 12,714,307) Ordinary shares of Rs. 10/- each issued as fully paid bonus shares		**127,143**	127,143
		229,770	229,770
11. SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT			
Surplus on revaluation :			
Balance as at July 01		**327,384**	369,726
Less: Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(40,937)**	(42,342)
		286,447	327,384
Related deferred tax :			
Balance as at July 01		**113,918**	128,738
Less: On incremental depreciation charged during the year		**(14,473)**	(14,820)
		99,445	113,918
		187,002	213,466
12. LONG TERM LOANS			
Loan from banking companies - secured		**180,890**	322,214
12.1 Loan from banking companies			
Askari Bank Limited (TF)	**12.1.1**	**69,049**	102,598
Habib Bank Limited (DF-I)	**12.1.2**	**116,981**	146,382
Allied Bank Limited TF	**12.1.3**	**153,000**	168,000
		339,030	416,980
Less: current portion of long term loans		**(158,140)**	(94,766)
		180,890	322,214

12.1.1 This represents term finance from Askari Bank Limited restructured in March 2012, to finance expansion in existing production facilities at Hatter plant. It carries mark up at 3 months average KIBOR plus 2.5% to be paid in quarterly in 10 seasonal instalments and with final maturity of June, 2014. The finance is secured by way of First Pari Passu charge of PKR 450 million over all present and future fixed assets of the company and personal guarantees of two original founder / sponsor Directors of the company.

12.1.2 This represents demand finances obtained to finance expansion in existing production facilities at plant. These were restructured in 2012 and carry mark up at 3 months KIBOR plus 2.5% , payable in three years in quarterly instalments with final maturity of April 2015. Finances are secured by way of 1st pari passu charge over existing and future fixed assets up to PKR 415 million of the company situated at plot # 112-113 Phase V, Hattar Industrial Estate, District Haripur, Khyber Pakhtunkhwa.

12.1.2 This represents term finance created as result of restructuring in January 2012 of working finance loan carrying mark-up at average 3 months KIBOR plus 2%, payable in 33 monthly instalments. Finances are secured by way of first pari passu charge over stocks and book debts of the company amounting Rs. 267 million, and first pari passu charge on fixed assets of the company amounting to Rs. 150 million.

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2013	2012
	----- Rupees in '000' -----	
Opening balance	**18,098**	32,913
Paid during the year	**(9,397)**	(14,815)
	8,701	18,098
Less: current portion shown under current liabilities	**(4,859)**	(7,702)
	3,842	10,396

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

	2013	2012
Minimum lease payment		
Upto one year	**5,524**	9,472
More than one year but less then five years	**10,712**	12,933
	16,236	22,405
Amount representing financial cost not yet due		
Upto one year	**(665)**	(1,770)
More than one year but less then five years	**(747)**	(885)
	(1,412)	(2,655)
Present value of minimum lease payment		
Upto one year	**4,859**	7,702
More than one year but less then five years	**3,842**	10,396
	8,701	18,098
Current portion shown under current liabilities	**(4,859)**	(7,702)
Present value of minimum lease payment payable later than one year but not later then five years	**3,842**	10,396

13.2 This represents vehicles and plant and machinery acquired under a number of finance lease agreements. Interest rate used as discounting factor ranges from 12.01% to 17.14% (2012:12.5% to 16.38%) per anum. Taxes, repair, replacements and insurance are born by the company. Under the terms of arrangement, the company has an option to acquire leased assets at the end of respective lease terms and intends to exercise the option. At June 30, 2013 the net carrying amount of leased vehicles and plant and equipment are Rs. 1.26 million and Rs. 20 million (2012: Rs. 3.7 million and Rs. 29.5 million) respectively. There are no restrictions imposed on the Company under the term of leases.

14. DEFERRED LIABILITIES

	Note	2013	2012
		----- Rupees in '000' -----	
Staff gratuity	14.1	**34,824**	27,246
Deferred taxation	14.2	**138,275**	122,193
		173,099	149,439

14.1 Staff Gratuity

14.1.1 The figures are based on actual valuation report for company's Employees' Gratuity Scheme carried out by Nauman Associates as on June 30, 2013.

14.1.2 Reconciliation of liability recognised in the balance sheet is as follows:

	2013	2012
Present value of defined benefit obligation	**42,782**	33,594
Net actuarial losses not recognized	**(7,958)**	(6,348)
	34,824	27,246

14.1.3 Movement in liability recognized in balance sheet:

	2013	2012
	----- Rupees in '000' -----	
Present value of defined benefit obligation (opening)	**27,246**	22,556
Expense for the year	**8,840**	9,358
Benefits paid during the year	**(1,262)**	(4,668)
	34,824	27,246

14.1.4 Expense recognised in profit and loss account is as follows:

Current service cost	**4,046**	4,340
Interest cost	**4,367**	4,345
Actuarial losses recognised	**427**	673
	8,840	9,358

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

	Present value of defined benefit obligation	Experience adjustments on obligations
June 2013	42,782	(7,958)
June 2012	33,594	(6,348)
June 2011	31,043	(8,487)
June 2010	28,250	(10,102)
June 2009	24,706	(12,790)

14.2 DEFERRED TAXATION

Deductible temporary differences:		
Tax losses carried forward	**(142,081)**	(174,848)
Provisions and finance lease	**(18,861)**	(19,562)
	(160,942)	(194,410)
Taxable temporary differences:		
Surplus on revaluation	**99,445**	113,918
Accelerated depreciation	**199,772**	202,685
	299,217	316,603
	138,275	122,193

15. TRADE AND OTHER PAYABLES

	2013	2012
	----- Rupees in '000' -----	
Trade creditors and bills payable	**361,462**	369,046
Accrued and other liabilities	**28,218**	25,172
Advances from customers	**26,613**	23,660
Tax deducted at source	**437**	978
Sales tax payable	**25,767**	12,910
Unclaimed dividend	**461**	461
Workers' profit participation fund	**2,785**	592
	445,743	432,819

16. ACCRUED MARK-UP

	2013	2012
	----- Rupees in '000' -----	
Long term financing	**8,474**	12,073
Short term borrowings	**11,361**	11,815
Liabilities against assets subject to finance lease	**11**	72
	19,846	23,960

17. SHORT TERM BORROWINGS - secured

From banking companies		
Short-term running finance	**247,543**	202,264
Short-term pledge finance	**40,000**	-
Finance against trust receipt	**24,235**	39,660
	311,778	241,924

Short-term running finance and other facilities are obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 11% to 14.45% (2012: 13.9% to 18%) per annum calculated on daily product basis. These facilities have various maturities dates up to March 2014.

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 origional founder / sponsor Directors of the company.

18. CURRENT PORTION OF NON-CURRENT LIABILITIES

Long term loans	**158,140**	94,766
Liabilities against assets subject to finance lease	**4,859**	7,702
	162,999	102,468

19. CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

In the year 2002, the Commissioner of Income Tax, Companies Zone, Islamabad notified the Company with respect to application filed by it in the Lahore High Court, Rawalpindi Bench, against the order of Income Tax Appellate Tribunal passed in 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.

19.2 Commitments

No commitment outstanding as at June 30, 2013 (2012: nil)

20. SALES - NET

		2013	2012
		----- Rupees in '000' -----	
Gross sales	**20.1**	**2,055,686**	2,222,470
Sales tax		**(285,688)**	(300,928)
		1,769,998	1,921,542

20.1 This includes export sales of Rs. 0.196 million (2012: Rs. 40.8 million).

21. COST OF SALES

	Note	2013	2012
		----- Rupees in '000' -----	
Raw material consumed	21.1	1,091,889	1,321,737
Packing material consumed		70,908	69,813
Salaries, wages and other benefits	21.2	88,969	78,047
Traveling and conveyance		10,515	10,287
Fees and subscription		735	239
Vehicle repair and maintenance		10,205	7,390
Rent, rate and taxes		9,047	11,995
Repair and maintenance		4,747	4,901
Communication charges		1,269	1,323
Printing, postage and stationery		749	822
Entertainment		481	474
Advertisement		35	18
Insurance		6,626	5,983
Medical		2,295	1,670
Electricity, gas and water		124,333	109,517
Freight and other charges		2,596	2,525
Depreciation	4.1.1	93,562	93,329
Lab testing		1,557	1,635
Store consumed		13,898	20,309
Courses and seminar fees		148	35
Impairment loss		-	8,090
Miscellaneous		46	233
		1,534,610	1,750,372
Work-in-process - opening		38,514	58,023
Work-in-process - closing		(56,002)	(38,514)
		(17,488)	19,509
Cost of goods manufactured		1,517,122	1,769,881
Finished goods - opening		41,742	51,870
Finished goods - closing		(40,562)	(41,742)
		1,180	10,128
		1,518,302	1,780,009

21.1 Raw material consumed

	2013	2012
Opening stock	70,456	55,168
Purchases	1,073,642	1,337,025
Closing stock	(52,209)	(70,456)
	1,091,889	1,321,737

21.2 This includes staff retirement benefits amounting to Rs. 7.8 million (2012: Rs. 8.2 million).

22. DISTRIBUTION COST

	Note	2013	2012
Salaries and benefits	22.1	7,082	8,534
Office rent		579	269
Electricity, water and gas		128	201
Entertainment		161	128
Traveling and conveyance		894	964
Repair and maintenance		102	102
Vehicle running and maintenance		2,316	1,854
Communications		381	469
Insurance		63	74
Printing and stationery		44	45
Carriage and freight outward		48,463	44,078
Miscellaneous		440	394
		60,653	57,112

22.1 This includes staff retirement benefits amounting to Rs. 0.91 million (2012: Rs. 1.1 million).

23. ADMINISTRATIVE EXPENSES

		2013	2012
		----- Rupees in '000' -----	
Salaries and benefits	23.1	**23,706**	23,399
Rent, rate and taxes		**1,779**	547
Electricity, gas and water		**312**	279
Entertainment		**365**	449
Traveling and conveyance		**2,346**	2,637
Vehicle running and maintenance		**1,223**	1,426
Repair and maintenance		**346**	220
Communications		**503**	467
Legal and professional		**1,936**	1,980
Auditors' remuneration	23.2	**785**	785
Advertisement		**23**	23
Medical		**1,549**	1,351
Insurance		**143**	234
Printing and stationery		**556**	471
Depreciation	4.1.1	**4,924**	4,912
Courses, seminar and subscription		**162**	112
Donation	23.3	**250**	300
Software Impairment		**2,591**	-
Miscellaneous		**119**	97
		43,618	39,689

23.1 This includes staff retirement benefits amounting to Rs. 2.0 million (2012: Rs. 1.5 million).

23.2 Auditors' remuneration

	2013	2012
Audit fee	**500**	500
Fee for half yearly review	**200**	200
Other advisory services	**75**	75
Out-of-pocket expense	**10**	10
	785	785

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

24. OTHER OPERATING INCOME

		2013	2012
		----- Rupees in '000' -----	
Scrap sales	24.1	**5,653**	14,647
Claims received		**51**	178
Freight income		**1,988**	1,317
Profit on bank deposits		**222**	190
Miscellaneous income		**7,852**	-
Net (loss) / gain on disposal of fixed assets		**(731)**	1,187
		15,035	17,519

24.1 It includes sales of PET crush amounting to Rs. 1.1 million (2012: 9.67 million).

25. OTHER OPERATING EXPENSE

	2013	2012
Workers' welfare fund	**1,836**	-
Workers' profits' participation fund	**2,193**	-
	4,029	-

26. FINANCE COST

	Note	2013	2012
		----- Rupees in '000' -----	
Mark-up on:			
Long-term financing		47,500	42,908
Short-term borrowing		32,751	29,646
Liabilities against assets subject to finance lease		1,705	3,152
		81,956	75,706
LC usance and other charges		32,600	41,735
Exchange loss		171	-
Bank charges		2,042	6,769
		34,813	48,504
		116,769	124,210

27. TAXATION

	Note	2013	2012
Current	27.1	(8,924)	(18,954)
Deferred		(30,275)	2,083
		(39,199)	(16,871)

27.1 Current

The assessments of the Company have been finalized up to and including the tax year 2012. In view of the brought forward tax losses, provision for current income tax is based on section 113 of the Income Tax Ordinance, 2001. Accordingly tax expense reconciliation with the accounting profit is not reported.

28. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

28.1 Basic earnings per share

	2013	2012
	----- Rupees in '000' -----	
Profit / (loss) after tax	2,463	(78,830)
	-------- Numbers --------	
Weighted average number of ordinary shares	22,977	22,977
	-------- Rupees --------	
Earnings per share	0.11	(3.4)

28.2 Diluted earnings per share

There is no dilutive effect on the basic earnings per share of the Company as it has not issued any instruments carrying options which could have an impact on earning per share when exercised.

29. CASH GENERATED FROM OPERATIONS

	Note	2013	2012
		----- Rupees in '000' -----	
Profit / (loss) before taxation		41,662	(61,959)
Adjustment for non-cash charges and other items:			
Depreciation		98,486	98,239
Impairment loss		-	8,090
(Gain) / loss on disposal of property, plant and equipment		731	(1,187)
Amortization of intangible assets		38	-
Provision for Workers' profit participation fund		1,836	-
Provision for Workers' welfare fund		2,193	-
Capital work in process write off		3,628	-
Bad debts written off		2,230	-
Provision for gratuity		8,840	9,358
Finance cost		116,769	124,210
Working capital changes	29.1	(90,458)	89,888
		185,955	266,639

29.1 Working capital changes	2013	2012
	----- Rupees in '000' -----	
(Increase) / decrease in current assets:		
Stores, spares and loose tools	**4,725**	(4,531)
Stock in trade	**(2,556)**	13,401
Trade debts	**(75,013)**	7,885
Loans and advances	**(6,140)**	19,561
Deposits, prepayments and other receivables	**(20,369)**	(1,794)
	(99,353)	34,522
Increase in current liability:		
Trade and other payables	**8,895**	55,366
	(90,458)	89,888

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2013	2012	**2013**	2012	**2013**	2012
Managerial remuneration	**9,280**	7,533	**3,570**	2,923	**6,968**	8,418
House allowance and utilities	**638**	569	**1,461**	1,607	**2,848**	3,444
Servant allowance	**506**	452	**-**	-	**-**	-
Telephone allowance	**425**	380	**-**	-	**-**	-
Medical reimbursement	**844**	753	**209**	189	**409**	494
	11,693	9,687	**5,240**	4,719	**10,225**	12,356
	1	1	**1**	1	**6**	7

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

31. TRANSACTIONS WITH RELATED PARTIES

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

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

Details of transactions with related parties are as follows:	2013	2012
	----- Rupees in '000' -----	
Transactions during the year		
Sale of vehicles and office equipment	**-**	3,854
Post employment benefit paid	**-**	4,666
Contribution to staff provident fund	**4,253**	1,856
Payable as on balance sheet date with:		
Employees' provident fund trust	**2,829**	5,498
Post employment benefit payable	**16,363**	14,247

The remuneration of Chief Executive, Directors and Executives is disclosed in Note 30 to the financial statements.

32. SEGMENT REPORTING

	Injection		Blowing		Total	Total
	June 2013	June 2012	**June 2013**	June 2012	**June 2013**	June 2012
	(Rupees '000)		**(Rupees '000)**		**(Rupees '000)**	
	26%		**74%**		**100%**	
Sales-net	**454,388**	936,286	**1,315,610**	985,256	**1,769,998**	1,921,542
Cost of sales	**(409,399)**	(879,892)	**(1,108,903)**	(900,116)	**(1,518,302)**	(1,780,008)
	44,989	56,394	**206,707**	85,140	**251,696**	141,534
Distribution cost	**(15,571)**	(27,984)	**(45,082)**	(29,127)	**(60,653)**	(57,111)
Administrative	**(11,197)**	(19,448)	**(32,421)**	(20,241)	**(43,618)**	(39,689)
	(26,768)	(47,432)	**(77,503)**	(49,368)	**(104,271)**	(96,800)
Operating profit	**18,221**	8,962	**129,204**	35,772	**147,425**	44,734
Segment assets	**488,540**	492,186	**647,306**	512,275	**1,135,846**	1,004,461
Unallocated assets	**-**	-	**-**	-	**484,509**	583,846
	488,540	492,186	**647,306**	512,275	**1,620,355**	1,588,307
Segment liabilities	**114,132**	131,039	**115,827**	136,387	**229,959**	267,426
Unallocated liabilities	**-**	-	**-**	-	**1,068,238**	868,398
	114,132	131,039	**115,827**	136,387	**1,298,197**	1,135,824
Capital expenditure	**4,565**	13,443	**2,049**	13,992	**6,614**	27,435

32.1 Inter-segment sales have been eliminated from totals.

32.2 Administrative expenses and distribution costs are allocated on the basis of the net sales value for each segment.

33. FINANCIAL INSTRUMENTS

33.1 Financial instruments by category

	2013	2012
FINANCIAL ASSETS	**----- Rupees in '000' -----**	
Loans and receivables		
Security deposits	**6,754**	6,890
Trade debts	**227,427**	154,644
Deposits and other receivables	**29,709**	9,340
Cash and bank balances	**24,289**	14,329
FINANCIAL LIABILITIES	**288,179**	185,203
Financial liabilities at amortized cost		
Long term loans	**339,030**	416,980
Liabilities against assets subject to finance lease	**8,701**	18,098
Trade and other payables	**415,908**	407,589
Accrued mark - up	**19,846**	23,960
Short term borrowings - secured	**311,778**	241,924
	1,095,263	1,108,551

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

34.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. To manage exposure to credit risk, Company applies credit limits and deals with selected credit worthy parties. It makes required provision against balances that are considered doubtful. The exposure to cash and bank balances is managed by placing funds with those that have good credit rating amongst major banks and financial institutions. The following carrying amounts of financial assets against which the Company holds no collateral represents the maximum credit exposure at the balance sheet date.

	2013	2012
	----- Rupees in '000' -----	
Trade debts	196,272	159,755
Loans and advances	30,133	23,993
Other receivables	29,709	6,704
Bank balances	24,268	14,300
	280,382	204,752

34.1.1 Impairment losses

The aging of trade debts at the reporting date was:

	2013		2012	
	Gross Value	Impairment	Gross Value	Impairment
	Rupees '000		Rupees '000	
Not Past Due	108,966	-	41,370	-
Past Due 1-60 Days	47,442	-	75,410	-
Past due 61 Days to 1 Year	63,310	-	28,910	-
More then 1-Year	12,604	4,895	14,065	5,111
	232,322	4,895	159,755	5,111

The credit quality of company's bank balances can be assessed with reference to external credit ratings as follows:

37.1.2 Credit rating	2013	2012
	----- Rupees in '000' -----	
A1+	12,529	5,246
A2	-	10
A1	1,130	7
A-1 +	10,609	9,037
	24,268	14,300

34.2 Liquidity risk

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

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

	Carrying Value	Contractual cash flow	Upto one year	More than one year
		(Rupees '000)		
Long term financing	339,030	375,604	265,992	109,612
Finance Lease	8,701	16,236	5,524	10,712
Trade and other payables	445,743	445,743	445,743	-
Short term borrowings	311,778	323,139	323,139	-
June 2013	1,105,252	1,160,722	1,040,398	120,324
Long term financing	416,980	505,771	147,168	358,603
Finance lease	18,098	22,405	9,472	12,933
Trade and other payables	432,819	463,426	463,426	-
Short term borrowings	241,924	253,739	253,739	-
June 2012	1,109,821	1,245,341	873,805	371,536

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

34.3 Market risk

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

a) Foreign exchange risk management

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The company is not exposed to foreign currency risk on export. or import as it produce material from local market in local currency.

Exposure to foreign currency risk

Company is not exposed to foreign currency risk as there are no foreign debtors and creditors on the balance sheet date.

b) Interest/ mark up rate risk

Interest/ mark-up rate risk is the risk that value of a financial instrument or future cash flows of a financial instrument will fluctuate due to changes in the market interest/mark-up rates. Sensitivity to interest/ mark up rate risk arises from mismatches of financial liabilities that mature or re-price in a given period. The Company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. At the balance sheet date, the interest rate profile of the Company's significant interest bearing financial instruments was as follows:

	Effective interest rate (%)	Carrying amount (Rs. in '000')
2013		
Fixed rate instruments		
Long term financing	12.55%	339,030
Finance lease	13.24%	8,701
Short term borrowings	13.00%	311,778
		659,509
2012		
Fixed rate instruments		
Long term financing	10.8%	416,980
Finance lease	15.8%	18,098
Short term borrowings	11.1%	241,924
		677,002

Sensitivity analysis

The Company have no fixed rate financial instrument at fair value through profit or loss nor any derivatives as hedging instruments recognized under fair value hedge accounting model. Therefore, a change in interest rate at reporting date would not have any effect on the fair value of any financial instrument.

A change of 100 basis points in interest rate would have no bearing on the financial liabilities. (2012: Rs. Nil)

34.4 Fair value of financial instruments

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

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

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

35. CAPITAL RISK MANAGEMENT

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

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

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

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

36. PLANT CAPACITY AND ACTUAL PRODUCTION

	2013	2012
	Quantity in '000'	
Blowing		
Capacity - no. of bottles	**304,200**	304,200
Production - no. of bottles	**117,043**	92,644
Utilization	**38%**	30%
Injection		
Capacity - no. of preforms	**415,733**	415,733
Production - no. of preforms	**180,070**	217,839
Utilization	**43%**	52%

36.1 The under-utilization of capacity was due to market constraints.

37. 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	117,448	122,193	4,745
Retained earning	(133,404)	(138,149)	(4,745)
Net difference			-

38. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 26, 2013 by the Board of Directors of the Company.

39. GENERAL

Figures have been rounded off to the nearest thousand rupees.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

PROXY FORM

I / We ____ of __________________________

being member(s) of Ecopack Limited, and holder of Ordinary Share(s) as per register

Folio No. ________________________________ and / or CDC Participant

I.D. No. _______________________________ and Account / Sub-Account No. _______________

do hereby appoint ____ of________________

as my / our proxy to attend, speak and vote for me / us and on my / our behalf at the 22nd

Annual General Meeting of the Company to be held on Friday October 25, 2013

____and

at any adjournment there of. As witness I/we set my / our hand(s) this ______________________

day of ____________________ 2013 signed the said proxy in the presence of:

Witnesses:

1. Signature: __________________________________

   Name: __________________________________

   Address: __________________________________

   ____

   CNIC | | | | | | ■ | | | | | | | ■ | |

   or

   Passport No. ______________________________

Signature

Revenue Stamp

2. Signature: __________________________________

   Name: __________________________________

   Address: __________________________________

   ____

   CNIC | | | | | | ■ | | | | | | | ■ | |

   or

   Passport No. __________________________________

(Signature should agree with the specimen signature registered with the Company)

Note:

i. The Proxy Form in order to be valid must be deposited with the Company not later than 48 hours before the time of holding the meeting.

ii. The proxy must be a member of the company.

iii. CDC Shareholders and their Proxies must attached either an attested photocopy of their Computerized National Identity Card or Passport with the proxy form.