Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

Head Office

19,City Villas, Near High Court
Road, Rawalpindi
PABX: (051) 5974098 & 99
Fax: (051) 5974097

Registered Office and Factory

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

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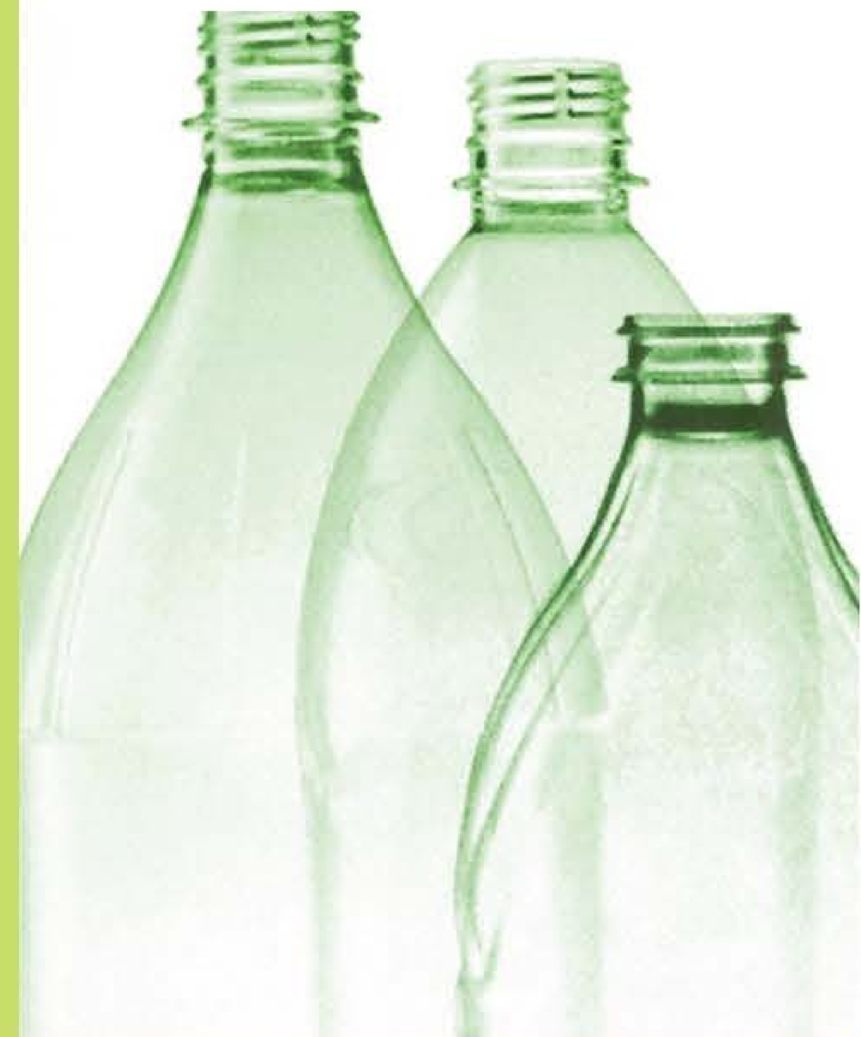
Annual Report 2014



Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

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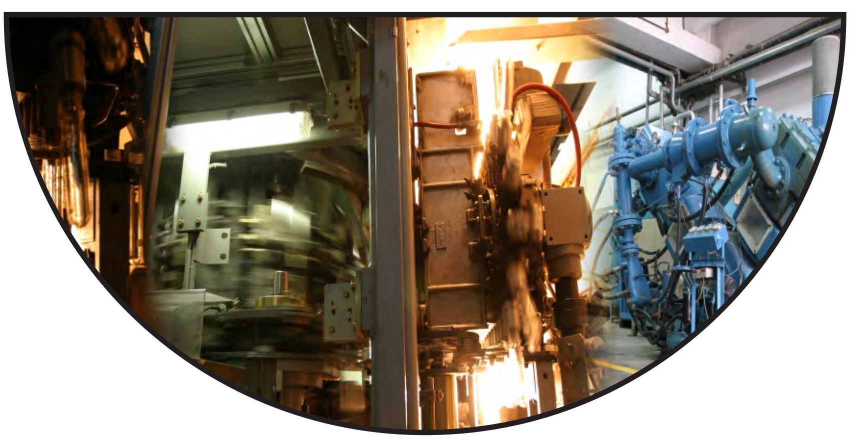
VISION & MISSION Statement

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

Corporate Strategy

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



COMPNY INFORMATION

BOARD OF DIRECTORS

Mrs. Ayesha Khan	Chairperson
Mr. Hussain Jamil	Chief Executive Officer
Mr. Shahid Jamil	
Mr. Amjad Awan	(Alternate Director Mr. Shahid Jamil)
Mrs. Deborah Jamil	
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. Muhammed Ali Adil

COMPANY SECRETARY

Mr. Muhammad Ali Adil

BANKERS

Askari Bank Limited	JS Bank Limited
Habib Bank Limited	MCB Bank Ltd
Allied Bank Limited	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, Industrial Estate Hattar, District Haripur, Khyber Pakhtunkhwa
Tel: (0995) 617720 & 23, 617347, Fax: (0995) 617074
Website: www.ecopack.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of Ecopack Limited will be held on Friday, October 24, 2014 at 2:30 P.M. atregistered office situated at Plot # 112-113, Phase-V, Hattar Industrial Estate, Hattar, District Haripur, Khyber Pukhtunkhwa to transact the following business:

i. Ordinary Business

1. To confirm the minutes of the 22nd Annual General Meeting held on October 25, 2013.

2. To receive and adopt the Directors' and Auditors' report together-with Audited Accounts of the company for the year ended June 30, 2014.

3. To appoint external auditors and fix their remuneration for the year ending June 30, 2015. The present auditors M/s. Rehman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants being eligible offer themselves for re-appointment.

ii. Special Business

4. To discuss and approve the amendments in Article No. 89 of the Articles of Association pertaining to Directors' Fee for attending Board Meetings.

iii. Other Business

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

By order of the Board

Karachi
Dated: September 25, 2014

MUHAMMED ALI ADIL
(Company Secretary)

Notes:

1. The share transfer books of the company will remain closed from October 14, 2014 to October 27, 2014. (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.

Statement U/ S. 160 of the Companies Ordinance, 1984 Pertaining to the Special Business:

At present as per Article No. 89 of the Articles of Association of the Company, the Directors other than regular paid and full time working Directors, are entitled a fee not exceeding Rs. 25,000/- for attending a meeting plus the actual traveling expenses incurred by them for the purposes of attending the meeting.

The Board of Directors has decided to increase the limit of this fee from Rs. 25,000/- to Rs. 100,000/-, keeping in view the inflationary effects, etc.

The Board of Directors has proposed to pass the following Resolution with or without amendments:

"RESOLVED THAT Article No. 89 of the Articles of Association of the Company be and is hereby substituted as under:

> "Every Director other than the regular paid and full time working Directors shall be entitled to a fee not exceeding Rs. 100,000/- for attending a meeting plus the actual traveling expenses incurred by him for the meeting. The remuneration for extra services performed by the Directors shall be determined by the shareholders in General Meeting".

At present the Directors are being paid less than the allowed / sanctioned limit of Rs. 25,000/- and in future this practice will also be followed.

Interest of Directors:

The Directors other than regular paid and full time working Directors are interested in the above resolution to the extent of fee to be paid to them.

DIRECTORS' REPORT

The board of directors of Ecopack Limited is pleased to present the Directors' Report along with audited financial statements of the Company & Auditor's Report for the year ended 30th June, 2014:

OVERVIEW:

The results of the outgoing financial year reflect the accumulated consummation of the efforts put in by your company's management over the last 3 to 5 years in terms of cost cutting, rationalizing and optimizingall the major cost-heads in the COGS of the company. Despite the substantial increases in the cost of energy during this year (almost 45% increase in the tariff rates of WAPDA over the previous year) and the increase of 25% in the minimum wage of labour, your company was able to mitigate this major cost push and yet achieve a Profit before tax of Rs. 123.69 million for the year. However, the minimum tax on turnover together with the adjustment of deferred tax resulted in net Profit after tax of Rs.57.56 million.

Buoyant market growth in the soft-drinks & beverage industry and your company's time tested position as a reliable vendor with efficient supply–chain & logistical arrangements for on time supply, allowed your Companyto deliver value to it's customers. The cost-efficiencies thus achieved transcended the inflationary cost curve and your Company was able to enhance its profitability on the back of strong bottle demand in the last quarter of the financial year. However, increased load-shedding of electricity during peak hours in the summer months necessitated the use of diesel based power generation to meet the production shortfalls at a high cost to the company.

SALES & FINANCIAL HIGHLIGHTS:

Sales turnover improved significantly by 26% from Rs. 1.7 billion to Rs. 2.2 billion as compared to last year.This was mainly due to increased bottle sales which showed a robust growth of 40% in value terms over last year. The preform business is also getting steady and with new investments in light-weighting, it is gradually catering to the growing needs of the beverage industry. Improved utilization of machines and increased sales resulted in better absorption of fixed costs and enhancement in profit.

The higher ratio of Bottles sales in comparison with Preforms, has considerably diluted the low margins in Preforms and haswiped outthe loss incurred in the first nine months amounting to Rs. 53 million. Gross profit increased from Rs. 251.69 million last year to Rs. 397.02 million this year.

Operating profit increased from 8.3% to 11.6% i.e. by Rs. 110.30 million in absolute terms over last year. This clearly indicates that despite the continuing uncertain conditions in the environment and escalating business risks, your Company has skillfully utilized it's limited available resources this year. Financial charges decreased from Rs. 116.76 million to Rs. 113.87 million mainly due to the repaymentof long term debts.After tax profit for the year of Rs. 57.56 million has been achieved as compared to Rs. 2.46 million last year. Your Company continues to face some cash flow constraints and is striving to remedy this in the new financial year.

Earnings per share has increased to Rs. 2.51 per share from Rs. 0.11 per share compared to the previous year.

FUTURE OUTLOOK:

Rising profitability and continual repayment of Long Term Debt has substantially improved the financial health of the company. The steadily improving & relatively stronger Balance Sheet allows your company to more effectively leverage itself and arrange short term working capital for it's growing needs more cost efficiently. Thus your management anticipates better capacity utilization of its Preform assets as this part of the business goes into high gear.

While the petro-chemical and crude oil supply chain materials currently seem to lend stability to our main raw material i.e., PET Resin, however, sporadic electricity shortages coupled with rising tariffs as well as intermittent political unrest in close proximity markets, could undermine your company's efforts to continue on the profitable trajectory it has recently embarked upon. Nevertheless, the exponential growth being witnessed in soft-drinks consumption by our demographically young population,whose annual per capita consumption still lags well behind the stronger and more stable economies in the region, augurs well for your company's prospects.

Your management remains vigilant and poised to mitigate any challengesduly supported by a well trained and motivated team on the floor level as well as competent managerial staff.

For and on behalf of the Board of Directors

Karachi.
September 25, 2014

Hussain Jamil
Chief Executive Officer

"ANNEXURE A"

Six Years at a Glance

Rupees in '000'

	2014	2013	2012	2011	2010	2009
Profit & Loss:						
Sales	**2,229,897**	1,769,998	1,921,542	1,784,754	1,742,074	1,764,852
Cost of sales	**1,832,874**	1,518,302	1,780,008	1,677,725	1,542,996	1,577,169
Gross Profit	**397,023**	251,696	141,534	107,029	199,078	187,683
Operating expenses	**139,045**	104,021	96,801	95,207	100,189	104,419
Operatig profit	**257,978**	147,675	44,733	11,822	98,889	83,264
Financial charges	**113,873**	116,769	124,207	104,294	138,592	195,368
Net Profit / (Loss) before taxation	**123,688**	41,662	(61,956)	(68,978)	(25,875)	(105,811)
Taxation	**66,121**	39,199	(16,871)	10,765	7,482	20,192
Net Profit / (Loss) after taxation	**57,567**	2,463	(78,830)	(58,213)	(18,393)	85,619
Balance Sheet						
Shareholders' equity	**225,121**	129,903	91,621	128,109	180,454	180,124
Surplus on Revaluation of Fixed Assests	**179,553**	187,002	213,466	240,988	193,672	213,329
Financing facilities	**125,032**	184,732	332,609	180,649	331,522	438,205
Deffered Liabilities	**232,324**	178,352	149,439	161,653	140,359	151,106
Fixed assets (net of depreciation)	**1,080,995**	1,084,692	1,164,021	1,245,793	1,233,640	1,278,116
Current Assets	**579,853**	535,663	424,286	457,299	443,093	572,711
Current Liabilities	**898,817**	940,366	801,171	991,693	830,726	868,063
Key Financial Ratios:						
Gross profit	**17.80%**	14.22%	7.37%	6.00%	11.43%	10.63%
Operating profit	**11.57%**	8.95%	2.33%	0.66%	5.68%	4.72%
Profit before tax to net sales	**5.55%**	2.35%	-3.22%	-3.86%	-1.49%	-6.00%
Return on capital employed	**23.4%**	8.3%	-9.7%	-12.5%	-3.7%	-12.7%
Inventory turnover (times)	**2.79**	2.43	2.75	2.10	1.67	1.43
Fixed assets turnover (times)	**2.06**	1.63	1.65	1.43	1.41	1.38
Debt equity ratio	**37:63**	52:48	59:41	49 : 51	55 : 45	52 : 48
Current ratio	**0.65**	0.57	0.53	0.46	0.53	0.66
Earnings per share	**2.51**	0.11	3.43	(3.47)	(0.80)	(3.72)

"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 attached with the directors report as Annexure "A".
9. The Company has not declared any cash dividend (2013 – NIL) or bonus shares (2013 – 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. 10.29 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 & 04 HR 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)	02
Mrs. Deborah Jamil	03
Mrs. Ayesha Khan	04
Ms. Laila Jamil	04
Mr. Asad Ali Sheikh	03
Mr. Mohammad Raza Chinoy	04

b) Audit Committee Meetings:-

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

c) Human Resource & Remuneration Committee Meetings:-

Name of Members	No. of Meetings Attended
Ms. Laila Jamil	02
Mr. Hussain Jamil	02
Mr. Asad Ali Sheikh	01
Mrs. Ayesha Khan	02

13. Ms. Laila Jamil (Director) has attended and qualified the Director's Training Program during the year 2013-2014.

14. Trading of shares by Directors, Chief Financial Officer & Secretary of the Company during the year 2013-2014 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	8000 / (241,000)
Mrs. Ayesha Khan	Director	Nil / (258,000)
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 2014-2015.

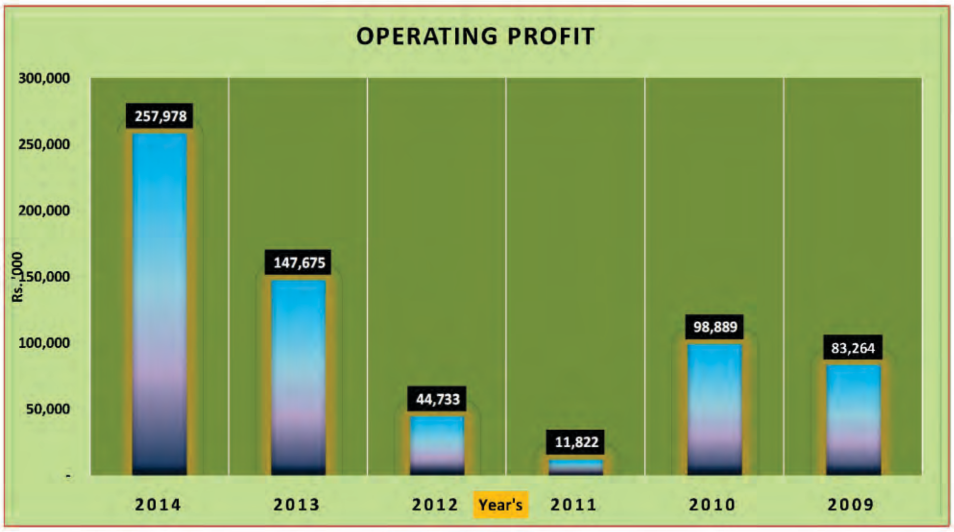
For & on behalf of the Board of Directors

Karachi.
Dated: September 25, 2014

HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER


SALES
2,500,000
2,000,000
1,500,000
1,000,000
500,000
-
Rs. in '000
2,229,897
1,769,998
1,921,542
1,784,754
1,742,074
1,764,852
2014
2013
2012
2011
2010
2009
Year's


GROSS PROFIT
Rs. in ,000
397,023
251,696
141,534
107,029
199,078
187,683
2014
2013
2012
2011
2010
2009
Year's


OPERATING PROFIT
300,000
250,000
200,000
150,000
100,000
50,000
-
Rs. ,000
257,978
147,675
44,733
11,822
98,889
83,264
2014
2013
2012
Year's
2011
2010
2009

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

AS AT JUNE 30,2014

Serial No	No. Of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage %
1	481	1	100	16,659	0.07%
2	848	101	500	222,236	0.97%
3	303	501	1000	249,621	1.09%
4	497	1001	5000	1,024,450	4.46%
5	56	5001	10000	421,933	1.84%
6	16	10001	15000	196,087	0.85%
7	12	15001	20000	211,184	0.92%
8	4	20001	25000	95,500	0.42%
9	1	25001	30000	26,000	0.11%
10	1	30001	35000	33,131	0.14%
11	1	35001	40000	40,000	0.17%
12	3	40001	45000	132,000	0.57%
13	2	45001	50000	100,000	0.44%
14	2	80001	85000	165,000	0.72%
15	1	90001	95000	91,910	0.40%
16	2	95001	100000	200,000	0.87%
17	1	100001	105000	104,000	0.45%
18	2	120001	125000	246,435	1.07%
19	1	125001	130000	125,055	0.54%
20	1	165001	170000	170,000	0.74%
21	1	170001	175000	175,000	0.76%
22	1	345001	350000	350,000	1.52%
23	1	370001	375000	375,000	1.63%
24	1	385001	390000	389,168	1.69%
25	1	455001	460000	455,239	1.98%
26	1	795001	800000	798,110	3.47%
27	1	1375001	1380000	1,376,271	5.99%
28	1	1630001	1635000	1,632,000	7.10%
29	1	2045001	2050000	2,047,906	8.91%
30	1	2055001	2060000	2,058,781	8.96%
31	1	2060001	2065000	2,061,500	8.97%
32	1	3385001	3390000	3,386,793	14.74%
33	1	3995001	4000000	4,000,000	17.41%
	2248	**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%
	Samba Bank Limited	1	91,910	0.400%
	National Bank Of Pakistan	1	240	0.001%
	Sub-Total:	**3**	**99,187**	**0.432%**
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 Noora Khan	1	413,668	1.800%
	Mrs. Deborah Jamil	1	10,670	0.046%
	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**	**8,610,741**	**37.476%**
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%
	Sub-Total:	**1**	**95**	**0.000%**
6	**Foreign Investors:-**			
	M/S Somers Nominee (Far East) Limited	1	6,241	0.027%
	AARIJ Ahmed Shahab Kirmani	1	10,000	0.044%
	Sub-Total:	**2**	**16,241**	**0.071%**

CATEGORIES OF SHAREHOLDERS

S.No	Name	Number of Share Holders	Total Shares Held	Percentage
7	**Others**			
	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%
	Ghani Osman Securities (Private) Limited	1	2,291	0.010%
	Cedar Capital (Private) Limited	1	1,632,000	7.103%
	Fikree'S (Smc-Pvt) Ltd.	1	16,501	0.072%
	Prudential Securities Limited	1	607	0.003%
	M/S. Freedom Enterprises (Pvt) Ltd.	1	2,518	0.011%
	Capital Vision Securities (Pvt) Limited	1	1,585	0.007%
	Muhammad Ahmed Nadeem Securities (Smc-Pvt)	1	505	0.002%
	Hk Securities (Pvt) Ltd.	1	40	0.000%
	Mohammad Munir Mohammad Ahmed Khanani Se	1	84,000	0.366%
	Darson Securities (Pvt) Limited	1	1,000	0.004%
	Stock Master Securities (Private) Ltd.	1	1,200	0.005%
	Time Securities Limited	1	16,500	0.072%
	H.S.Z. Securities (Private) Limited	1	1,000	0.004%
	Y.S. Securities (Private) Limited	1	700	0.003%
	Sub-Total:	**17**	**1,763,619**	**7.676%**
8	**Individual**			
	Local - Individuals	2,215	12,356,221	53.777%
	Sub-Total:	**2,215**	**12,356,221**	**53.777%**
	Grand Total:	**2,248**	**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, 2014

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	Name
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 director meets the criteria of independence under clause (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 “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 arranges orientation courses for its directors as and when needed to apprise them of their duties and responsibilities. The incoming directors are also provided with appropriate briefing and orientation material to enable them first-hand knowledge on the working of the company. One director of the Company has completed Director Training Program during the period under review. In addition one director meets the criteria of exemption under clause (xi) of CCG and is accordingly exempted from director training program.

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 result 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 which is implemented & monitored by personnel 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 have confirmed 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 25, 2014

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 enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **Ecopack Limited** ("the Company") for the year ended June 30, 2014 to comply with the Listing Regulation No 35 Chapter of the Karachi Stock Exchange Limited, where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's 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 Board of Directors' statement on internal control covers all risks and control, or to from an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its 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 this requirement to the extent of approval of related party transactions by the board of directors upon recommendation of the 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, 2014.**

Karachi.
Date: September 24, 2014

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Ecopak Limied** as at **June 30, 2014,** 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 and 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, 2014 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 25, 2014

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem

BALANCE SHEET

As at June 30, 2014

	Notes	2014	2013	2012
		------------ Rupees in '000' ------------		
ASSETS			Restated	Restated
Non-Current Assets				
Property, plant and equipment	5	**1,074,293**	1,077,226	1,157,131
Security deposits		**6,064**	6,754	6,890
Intangibles		**638**	712	-
		1,080,995	1,084,692	1,164,021
Current Assets				
Stores, spares and loose tools	6	**69,326**	51,229	55,954
Stock in trade	7	**170,913**	157,447	154,891
Trade debts	8	**222,273**	227,427	154,644
Loans and advances	9	**35,660**	30,133	23,993
Deposits, prepayments and other receivables		**6,892**	29,709	9,340
Taxation - net		**21,052**	15,429	11,135
Cash and bank balances	10	**53,737**	24,289	14,329
		579,853	535,663	424,286
Total assets		**1,660,848**	1,620,355	1,588,307
EQUITY AND LIABILITIES				
Equity				
Authorized capital				
50,000,000 (2013: 50,000,000) ordinary shares of Rs.10/- each		**500,000**	500,000	500,000
Issued, subscribed and paid-up capital	11	**229,770**	229,770	229,770
Accumulated loss		**(4,649)**	(99,867)	(142,339)
		225,121	129,903	87,431
Surplus on revaluation of property and plant	12	**179,553**	187,002	213,466
		404,674	316,905	300,897
Non-Current Liabilities				
Long term loans	13	**120,175**	180,890	322,214
Liabilities against assets subject to finance lease	14	**4,857**	3,842	10,396
Deferred liabilities	15	**232,324**	178,352	153,629
		357,356	363,084	486,239
Current Liabilities				
Trade and other payables	16	**408,580**	445,743	432,819
Accrued mark - up	17	**20,244**	19,846	23,960
Short term borrowings - secured	18	**359,858**	311,778	241,924
Current portion of non-current liabilities	19	**110,136**	162,999	102,468
		898,818	940,366	801,171
Contingencies and commitments	20			
		1,660,848	1,620,355	1,588,307

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2014

	Notes	2014	2013
		----- Rupees in '000' -----	
Sales - net	21	**2,229,897**	1,769,998
Cost of sales	22	**(1,832,874)**	(1,518,302)
Gross profit		**397,023**	251,696
Distribution cost	23	**(85,474)**	(60,653)
Administrative expenses	24	**(53,571)**	(43,368)
		(139,045)	(104,021)
Profit from operations		**257,978**	147,675
Other income	25	**15,295**	15,035
Other expense	26	**(35,712)**	(4,279)
		(20,417)	10,756
Finance cost	27	**(113,873)**	(116,769)
Profit before taxation		**123,688**	41,662
Taxation	28	**(66,121)**	(39,199)
Profit after taxation		**57,567**	2,463
		----- Rupees -----	
Earnings per share - basic and diluted	29	**2.51**	0.11

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2014

	2014	2013
	----- Rupees in '000' -----	
Profit after taxation	**57,567**	2,463
Other comprehensive income		
-Transfer from surplus on revaluation of property and plant on account of incremental depreciation - net of tax	**40,256**	40,937
- Related deferred tax on surplus on land	**-**	135
- Actuarial losses on defined benefit obligation - net of tax	**(2,605)**	(1,063)
	37,651	40,009
Total comprehensive income for the year	**95,218**	42,472

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER **DIRECTOR**

STATEMENT OF CHANGES IN EQUTY

FOR THE YEAR ENDED JUNE 30, 2014

	Issued, subscribed and paid-up capital	Accumulated loss	Total
	---------------------- Rupees in '000'	----------------------	
Balance as at July 01, 2012	**229,770**	**(138,149)**	**91,621**
Impact of change in accounting policy (Note 3.1)	**-**	(4,190)	(4,190)
Restated balance as at July 01, 2012	**229,770**	**(142,339)**	**87,431**
Total comprehensive income for the year			
- Profit for the year	-	2,463	2,463
- Other comprehensive income for the year	-	40,009	40,009
	-	42,472	42,472
Balance as at June 30, 2013	**229,770**	**(99,867)**	**129,903**
Total comprehensive income for the year			
- Profit for the year	-	57,567	57,567
- Other comprehensive income for the year	-	37,651	37,651
	-	95,218	95,218
Balance as at June 30, 2014	**229,770**	**(4,649)**	**225,121**

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER | **DIRECTOR**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2014

	Notes	2014	2013
		----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	30	**303,454**	185,955
Finance cost paid		**(113,475)**	(120,883)
Gratuity paid		**(1,023)**	(1,262)
Workers participation fund paid		**(2,342)**	-
Taxes paid		**(31,463)**	(12,803)
Decrease in security deposits		**690**	136
Net cash generated from operating activities		**155,842**	51,143
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equiptment		**(64,046)**	(25,376)
Proceeds from disposal of property, plant and equipment		**2,135**	2,436
Purchase of intangible assets		**-**	(750)
Net cash used in investing activities		**(61,911)**	(23,690)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		**(111,547)**	(77,950)
Leases acquired during the year		**4,471**	
Payments against lease obligations		**(5,487)**	(9,397)
Net cash used in financing activities		**(112,563)**	(87,347)
Net decrease in cash and cash equivalents		**(18,632)**	(59,894)
Cash and cash equivalents at the beginning of the year		**(287,489)**	(227,595)
Cash and cash equivalents at the end of the year		**(306,121)**	(287,489)
Cash and cash equivalents comprises of :			
Cash and bank balances		**53,737**	24,289
Short term borrowings		**(359,858)**	(311,778)
		(306,121)	(287,489)

The annexed notes 1 to 42 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

NOTE TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

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:

i)	Useful life and residual values of property, plant and equipment	Note 4.1
ii)	Provision for slow moving and obsolete store, spares and loose tools	Note 4.3
iii)	Provision for slow moving and obsolete stock in trade	Note 4.4
iv)	Estimation for impairment of trade debts	Note 4.5
v)	Provision for staff retirement benefits	Note 4.7
vi)	Provision for taxation	Note 4.8

3. Standards, amendments and interpretations

3.1 *Standards, amendments to published standards and interpretations effective in 2013 and relevant*

The following standard and amendment to published standard are mandatory for the financial year beginning on July 1, 2013:

- IAS 1– (Amendment) 'Financial statement presentation.' The main change from these amendments is a requirement for entities to group items presented in 'Other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendment does not address which items are presented in OCI. The amendment only affects the disclosures in the company's financial statements.

- IAS 19 – Employee benefits was revised in June 2011. The revised standard (i) requires past service cost to be recognized immediately in the profit or loss; (ii) replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year; (iii) introduced a new term 'remeasurements' which is made up of actuarial gains and losses, the difference between actual investment returns and the return implied by the net interest cost. The revised standard eliminates the corridor approach and requires to recognize all remeasurement gain or loss / actuarial gain or loss in the Other Comprehensive Income (OCI) immediately as they occur. In accordance with the transitional provisions as set out in IAS-19 (Revised), the Company has applied the revised standard retrospectively and, consequently the earliest periods presented in the balance sheet, statement of comprehensive income and the statement of changes in equity have been restated. The effect of change in policy on the statement of cash flows is not material. The impact of retrospective application of IAS-19 (Revised) is as follows:

	June 30, 2013	June 30, 2012
Effect on balance sheet:	**Rupees in '000'**	
Unappropriated Profit		
As previously reported	**(94,614)**	(138,149)
Effect of change in accounting policy	**(5,253)**	(4,190)
As restated	**(99,867)**	(142,339)
Deferred Liabilities		
As previously reported	**173,099**	149,439
Effect of change in accounting policy	**5,253**	4,190
As restated	**178,352**	153,629

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

a) ***Standards, amendments or interpretations which became effective during the year:***

Standards, amendments to published standards and interpretations that are effective in year beginning from July 01, 2013 and are relevant to the company:

- IAS 1, 'Financial statement presentation' regarding other comprehensive income, emphasises on the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The application of the amendment has not affected the results or net assets of the Company as it is only concerned with presentation and disclosures.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. Applicable to annual periods beginning on or after January 1, 2013.

- IAS 32 Financial Instruments: Presentation - Applicable to annual periods beginning on or after 1 January 2013, is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

- IAS 34 Interim Financial Reporting is amended, Applicable to annual periods beginning on or after 1 January 2013, to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.

- IAS 28 "Investments in Associates and Joint Ventures", applicable to annual reporting periods beginning on or after January 1, 2013.

- IFRS 12, 'Disclosure of interests in other entities', effective for annual periods beginning on or after January 1, 2013.

- IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after January 1, 2013.

- IAS 19 (revised) 'Employee Benefits' has eliminated the corridor approach and requires to calculate finance cost on net funding bases. The Company has applied this change in accounting policy retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and recorded unrecognized actuarial losses net of taxes associated with retirement benefit plan by adjusting the opening balance of unappropriated profit and retirement benefit for the prior years presented.

b) ***New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective:***

- IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company's financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

Amendments to IAS 27 'Separate Financial Statements' (effective for annual period beginning on or after 1 January 2016). The amendments to IAS 27 allow entities to use equity method to account for its investment in subsidiaries, joint ventures and associates in the Separate Financial Statements. Management is currently evaluating the implication of the amendment.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 ‘Share-based Payment’. IFRS 2 has been amended to clarify the definition of ‘vesting condition’ by separately defining ‘performance condition’ and ‘service condition’. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

- IFRS 3 ‘Business Combinations’. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.

- IFRS 8 ‘Operating Segments’ has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment’s assets to the entity assets is required only if this information is regularly provided to the entity’s chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

- Amendments to IAS 16’Property, plant and equipment’ and IAS 38 ‘Intangible Assets’. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 ‘Related Party Disclosure’. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 ‘Investment Property’. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These are not expected to have any impact other than increased disclosures.

- Securities and Exchange Commission of Pakistan (SECP) vide SRO 633(1)/2014 dated 10th July 2014 has approved the below IFRSs:

  - IFRS 10 'Consolidated Financial Statements'

  - IFRS 11 'Joint Arrangements'

  - IFRS 12 'Disclosure of interests in other entities'

  - IFRS 13 'Fair Value Measurement'

4. 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.

4.1 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 5.1 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, 2014 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 5.1 to the financial statements as disclosed in the fixed asset schedule to the financial statements.

4.2 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.

4.3 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.

4.4 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.

4.5 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.

4.6 Financial Instruments

4.6.1 *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.

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.

4.6.2 *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.

4.6.3 *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.

4.7 Staff Retirement Benefits

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

4.7.1 *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	13.25%	Per annum
Expected rate of increase in salary level	13.25%	Per annum
Average expected remaining working life time of employees	6	years

4.7.2 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.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 Dividend

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

4.16 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.

4.17 Related party transactions

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

		2014	2013
		----- Rupees in '000' -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*5.1*	**1,074,293**	1,074,154
Capital work-in-progress	*5.2*	**-**	3,072
		1,074,293	1,077,226

5.1 Operating fixed assets

	Freehold land	Factory building and roads	Plant and machinery Owned	Plant and machinery Leased	Factory equipments	Furniture and fixture	Office equipment	Vehicles Owned	Vehicles Leased	Total
	Rupees in '000'									
As at July 01, 2012										
Cost and revaluation	5,700	81,734	1,604,672	33,687	110,671	5,866	19,811	7,338	8,465	1,877,944.00
Accumulated depreciation	-	(20,800)	(609,282)	(4,239)	(70,878)	(2,941)	(9,028)	(5,548)	(4,797)	(727,513.00)
Net book values	5,700	60,934	995,390	29,448	39,793	2,925	10,783	1,790	3,668	1,150,431.00
For the year June 30, 2013										
Additions during the year	-	3,543	4,058	-	16,711	142	922	-	-	25,376.00
Inter-transfers										
- Cost	-	-	7,262	(10,254)	2,992	-	-	5,054	(5,054)	-
- Accumulated depreciation	-	-	(1,878)	2,117	(239)	-	-	(3,351)	3,351	-
	-	-	5,384	(8,137)	2,753	-	-	1,703	(1,703)	-
Disposals										
- Cost	-	-	(9,880)	-	-	-	(121)	(1,036)	(22)	(11,059.00)
- Accumulated depreciation	-	-	7,037	-	-	-	10	826	19	7,892.00
	-	-	(2,843)	-	-	-	(111)	(210)	(3)	(3,167.00)
Depreciation for the year	-	(3,086)	(77,669)	(1,313)	(14,030)	(298)	(1,095)	(296)	(699)	(98,486.00)
Net book values	5,700	61,391	924,320	19,998	45,227	2,769	10,499	2,987	1,263	1,074,154.00
As at June 30, 2013										
Cost and revaluation	5,700	85,277	1,606,112	23,433	130,374	6,008	20,612	11,356	3,389	1,892,261.00
Accumulated depreciation	-	(23,886)	(681,792)	(3,435)	(85,147)	(3,239)	(10,113)	(8,369)	(2,126)	(818,107.00)
Net book values	**5,700**	**61,391**	**924,320**	**19,998**	**45,227**	**2,769**	**10,499**	**2,987**	**1,263**	**1,074,154.00**
For the year June 30, 2014										
Additions during the year	-	193	18,172	-	36,900	233	1,694	2,199	4,655	64,046
Surplus on Revaluation	1,900	17,230	10,009	-	-	-	-	-	-	29,139
Inter-transfers										
- Cost	-	-	-	-	-	-	-	1,500	(1,500)	-
- Accumulated depreciation	-	-	-	-	-	-	-	(1,032)	1,032	-
	-	-	-	-	-	-	-	468	(468)	-
Disposals										
- Cost	-	-	-	-	-	(88)	(1,088)	(1,837)	(1,889)	(4,902)
- Accumulated depreciation	-	-	-	-	-	70	761	1,522	1,268	3,621
	-	-	-	-	-	(18)	(327)	(315)	(621)	(1,281)
Depreciation for the year	-	(3,166)	(62,667)	(940)	(22,083)	(292)	(1,120)	(1,014)	(483)	(91,765)
Net book values	**7,600**	**75,648**	**889,834**	**19,058**	**60,044**	**2,692**	**10,746**	**4,325**	**4,346**	**1,074,293**
As at June 30, 2014										
Cost and revaluation	7,600	102,700	1,634,293	23,433	167,274	6,153	21,218	13,218	4,655	1,980,544.00
Accumulated depreciation	-	(27,052)	(744,459)	(4,375)	(107,230)	(3,461)	(10,472)	(8,893)	(309)	(906,251.00)
Net book values	**7,600**	**75,648**	**889,834**	**19,058**	**60,044**	**2,692**	**10,746**	**4,325**	**4,346**	**1,074,293.00**
Rate of depreciation	0%	5%-10%	5%-20%	5%	10%-50%	10%	10%	20%	20%	

		2014	2013
		----- Rupees in '000' -----	
5.1.1	Depreciation charge has been allocated as follows:		
	Cost of sales	**87,177**	93,562
	Administrative expenses	**4,589**	4,924
		91,765	98,486

5.1.2 The company revalued certain operating fixed assets, in 1995-96, 2003-04, 2008-09, 2010-11 and 2013-14 which had resulted in a surplus of Rs. 92.5 million, Rs. 141 million Rs. 216.6 million, Rs 99 million and Rs 29.139 million respectively. The revaluations from 1995-96 to 2010-11 had been carried out by M/s Iqbal A.Nanjee & company while revaluation of 2013-14 was carried out M/s Harvestor Services (Private) Limited, independent valuers, 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.

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

	2014	2013
	----- Rupees in '000' -----	
Freehold land	**2,995**	2,995
Factory building and roads	**30,110**	34,208
Plant and machinery	**660,796**	667,759
	693,901	704,962

5.1.4 Particulars of disposal of operating fixed assets

Particulars	Cost	Accumulated Depreciation	Carrying value	Sale proceeds	Mode of disposal	Particulars of purchaser
	-----------------------Rupees in '000'-----------------------					
25 Chairs & 2 racks	88	70	18	18	Negotiation	Mr. Sher Rehman
18 PCs (CPU + Monitor) & 5 printers	944	751	193	46	Negotiation	A & S Traders
Motocycle KR-430	58	45	13	15	Negotiation	Mr. Sarfraz
Mobile Samsung Glaxy	64	3	61	49	Insurance Claim	NIL
Laptop Sony Vaio	80	7	73	64	Insurance Claim	NIL
Honda Civic JJ-201	1,322	1,130	192	815	Negotiation	Mr. Imran Naseer
Daihatsu Coure ANZ-931	402	314	88	425	Negotiation	Mr. Malik Altaf Zafar
Honda Civic ARY-875	1,944	1,301	643	703	As per Co. Policy	Mr. Hussain Jamil
	4,902	**3,621**	**1,281**	**2,135**		
June 2013	11,059	7,892	3,167	2,436		

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

		2014	2013
6.	**STORES, SPARES AND LOOSE TOOLS**	----- Rupees in '000' -----	
	Stores and spares	**69,312**	51,330
	Loose tools	**1,921**	1,806
		71,233	53,136
	Provision against slow moving stores and spares	**(1,907)**	(1,907)
		69,326	51,229
7.	**STOCK IN TRADE**		
	Raw material	**60,906**	52,209
	Packing material	**7,642**	12,202
	Work in process	**50,029**	56,002
	Finished goods	**55,864**	40,562
		174,441	160,975
	Provision for obsolete stocks	**(3,528)**	(3,528)
		170,913	157,447

		2014	2013
8. TRADE DEBTS		----- Rupees in '000' -----	
Secured		**-**	36,050
Unsecured			
- Considered good		**222,273**	191,377
- Considered doubtful		**12,875**	4,895
		235,148	232,322
Provision against doubtful debts		**(12,875)**	(4,895)
		222,273	227,427
9. LOANS AND ADVANCES			
Advances:			
- to suppliers		**27,834**	24,497
- for expenses		**4,537**	3,247
		32,371	27,744
Loan to employees		**3,289**	2,389
		35,660	30,133
10. CASH AND BANK BALANCES			
Cash at bank in current accounts		**53,716**	24,268
Cash in hand		**21**	21
		53,737	24,289
11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
10,262,664(2013: 10,262,664) Ordinary shares of Rs. 10/- each issued against cash		**102,627**	102,627
12,714,307 (2013: 12,714,307) Ordinary shares of Rs. 10/- each issued as fully paid bonus shares		**127,143**	127,143
		229,770	229,770
12. SURPLUS ON REVALUATION OF PROPERTY AND PLANT			
Revaluation surplus			
Balance as at July 01		**286,447**	327,384
Add : Surplus arising on revaluation during year		**29,139**	-
Less : Transferred to unappropriated profit in respect of incremental depreciation charged during the year		**(40,256)**	(40,937)
		275,330	286,447
Related deferred tax :			
Balance as at July 01		**99,445**	113,918
Deferred tax on revaluation surplus during the year		**9,616**	-
Deferred tax on incremental depreciation charged during the year		**(13,284)**	(14,473)
		95,777	99,445
		179,553	187,002
13. LONG TERM LOANS			
Loan from banking companies			
Askari Bank Limited (TF)	*13.1*	**46,844**	69,049
Habib Bank Limited (DF-I)	*13.2*	**58,239**	116,981
Allied Bank Limited (TF)	*13.3*	**122,400**	153,000
		227,483	339,030
Less: current portion of long term loans		**(107,308)**	(158,140)
		120,175	180,890

13.1 This represents term finance from Askari Bank Limited rescheduled in September 2013, to finance expansion in existing production facilities at Hatter plant. It carries mark up at 3 months KIBOR plus 2.5% to be paid in 10 quarterly seasonal instalments and with final maturity of April, 2016. 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 origional founder / sponsor Directors of the company.

13.2 This represents demand finance obtained to finance expansion in existing production facilities at plant. It was restructured in 2012 and carries mark up at 3 months KIBOR plus 2.5%, payable in three years in quarterly instalments with final maturity of April 2015. The finance is 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.

13.3 This represents term finance created as result of restructuring in January 2012 of working finance loan. The loan was rescheduled in September 2013. It carries mark-up at 3 months KIBOR plus 2%, payable in 29 monthly instalments with final matuirity of June 2018. It is secured by way of first pari passu charge over stocks and book debts of the company amounting Rs. 267 million, and ranking charge on fixed assets of the company amounting to Rs. 197.2 million.

	2014	2013
	----- Rupees in '000' -----	
14. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		
Balance at 1 July	**8,701**	18,098
Leases obtained during the period	**4,471**	-
Payments made during the year	**(5,487)**	(9,397)
	7,685	8,701
Less: current portion shown under current liabilities	**(2,828)**	(4,859)
	4,857	3,842

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

	2014		2013	
	Minimum lease payments	**Present Value**	Minimum lease payments	Present Value
Upto one year	3,357	2,828	5,524	4,859
More than one year but less then five years	5,655	4,857	4,589	3,842
Total minimum lease payments	9,013	7,685	10,113	8,701
Less: Amount representing finance charges	(1,327)	-	(1,412)	-
Present value of minimum lease payments	7,685	7,685	8,701	8,701
Less: Current portion	(2,828)	(2,828)	(4,859)	(4,859)
	4,857	4,857	3,842	3,842

14.2 This represents vehicles and plant and machinery acquired under a number of finance lease agreements. Interest rate used as discounting factor ranges from 11.22% to 14.16% (2013: 12.01% to 17.14%) 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, 2014 the net carrying amount of leased vehicles and plant and equipment are Rs. 4.345 million and Rs. 19.058 million (2013: Rs. 1.26 million and Rs. 20 million) respectively. There are no restrictions imposed on the Company under the term of leases.

		2014	2013
		----- Rupees in '000' -----	
15. DEFERRED LIABILITIES			
Staff gratuity	*15.1*	**55,223**	42,783
Deferred taxation	*15.2*	**177,101**	135,569
		232,324	178,352

15.1 Staff gratuity

15.1.1 The figures are based on actual valuation report for company's Employees' Gratuity Scheme carried out by Nauman Associates as on June 30, 2014.

	2014	2013
	----- Rupees in '000' -----	
15.1.2 Movement in liability recognized in balance sheet:		
Present value of defined benefit obligation as at 01 July	**42,783**	33,594
Expense for the year	**9,469**	8,413
Benefits paid during the year	**(1,023)**	(1,262)
Actuarial losses	**3,994**	2,037
Present value of defined benefit obligation as at 30 June	**55,223**	42,783
15.1.3 Expense recognised in profit and loss account is as follows:		
Current service cost	**5,030**	4,046
Interest cost	**4,438**	4,367
	9,469	8,413

15.1.4 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 2014	55,223	(3,994)
June 2013	42,782	(2,037)
June 2012	33,594	(6,348)
June 2011	31,043	(8,487)
June 2010	28,250	(10,102)

	2014	2013
15.2 Deferred taxation	----- Rupees in '000' -----	
Taxable temporary differences:		
Surplus on revaluation	**95,777**	99,445
Accelerated depreciation	**181,577**	199,772
	277,354	299,217
Deductible temporary differences:		
Carried forward tax losses	**(72,261)**	(142,081)
Staff gratuity	**(18,224)**	(12,188)
Others	**(9,768)**	(9,379)
	(100,253)	(163,648)
	177,101	135,569

16. TRADE AND OTHER PAYABLES

	2014	2013
Trade creditors and bills payable	**320,066**	361,462
Accrued and other liabilities	**39,038**	28,218
Advances from customers	**19,566**	26,613
Sales tax payable	**20,726**	25,767
Tax deducted at source	**1,217**	437
Workers' profit participation fund	**7,506**	2,785
Unclaimed dividend	**461**	461
	408,580	445,743

		2014	2013
		----- Rupees in '000' -----	
17.	**ACCRUED MARK-UP**		
	Long term financing	**9,194**	8,474
	Short term borrowings	**11,050**	11,361
	Liabilities against assets subject to finance lease	**-**	11
		20,244	19,846

18. SHORT TERM BORROWINGS - secured

	2014	2013
From banking companies		
Short-term running finance	**136,185**	189,948
Short-term pledge finance	**100,000**	40,000
Inland Bill Purchased	**73,580**	57,595
Finance against trust receipt	**50,093**	24,235
	359,858	311,778

Short-term running finance and other facilities are obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 11.03% to 12.17% (2013: 11% to 14.45%) per annum calculated on daily product basis. These facilities have various maturities dates up to 31 December 2015.

These facilities are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company and personal guarantees of two original founder / sponsor Directors of the company.

		2014	2013
		----- Rupees in '000' -----	
19.	**CURRENT PORTION OF NON-CURRENT LIABILITIES**		
	Long term loans	**107,308**	158,140
	Liabilities against assets subject to finance lease	**2,828**	4,859
		110,136	162,999

20. CONTINGENCIES AND COMMITMENTS

20.1 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.

20.2 Commitments

No commitment outstanding as at June 30, 2014 (2013: nil)

			2014	2013
21.	**SALES - NET**		----- Rupees in '000' -----	
	Gross sales	*21.1*	**2,609,334**	2,055,686
	Sales tax		**(379,437)**	(285,688)
			2,229,897	1,769,998

21.1 This includes export sales of Rs. Nil (2013: Rs. 0.196 million).

			2014	2013
22.	**COST OF SALES**		----- Rupees in '000' -----	
	Raw material consumed	*22.1*	**1,289,216**	1,091,889
	Packing material consumed		**87,179**	70,908
	Store consumed		**20,606**	13,898
	Salaries, wages and other benefits	*22.2*	**120,123**	88,969
	Electricity, gas and water		**173,867**	124,333
	Travelling and conveyance		**12,847**	10,515
	Vehicle repair and maintenance		**10,917**	10,205
	Rent, rate and taxes		**11,700**	9,047
	Repair and maintenance		**9,407**	4,747
	Insurance		**4,866**	6,626
	Medical		**2,742**	2,295
	Freight and other charges		**5,303**	2,596
	Communication charges		**1,488**	1,269
	Printing, postage and stationery		**1,294**	749
	Lab testing		**1,083**	1,557
	Fees and subscription		**1,025**	735
	Entertainment		**773**	481
	Courses and seminar fees		**465**	148
	Advertisement		**17**	35
	Depreciation	*5.1.1*	**87,177**	93,562
	Miscellaneous		**108**	46
			1,842,203	1,534,610
	Work-in-process - opening		**56,002**	38,514
	Work-in-process - closing		**(50,029)**	(56,002)
			5,973	(17,488)
	Cost of goods manufactured		**1,848,176**	1,517,122
	Finished goods - opening		**40,562**	41,742
	Finished goods - closing		**(55,864)**	(40,562)
			(15,302)	1,180
			1,832,874	1,518,302

22.1 Raw material consumed

		2014	2013
	Opening stock	**52,209**	70,456
	Purchases	**1,297,913**	1,073,642
	Closing stock	**(60,906)**	(52,209)
		1,289,216	1,091,889

22.2 This includes staff retirement benefits amounting to Rs. 8.60 million (2013: Rs. 7.8 million).

23. DISTRIBUTION COST

			2014	2013
	Carriage and freight outward		**70,549**	48,463
	Salaries and benefits	*23.1*	**8,939**	7,082
	Vehicle running and maintenance		**1,930**	2,316
	Office rent		**1,281**	579
	Traveling and conveyance		**1,095**	894
	Communications		**356**	381
	Entertainment		**214**	161
	Repair and maintenance		**292**	102
	Electricity, water and gas		**159**	128
	Insurance		**-**	63
	Printing and stationery		**47**	44
	Miscellaneous		**612**	440
			85,474	60,653

23.1 This includes staff retirement benefits amounting to Rs. 1.16 million (2013: Rs. 0.91 million).

			2014	2013
			----- Rupees in '000' -----	
24.	**ADMINISTRATIVE EXPENSES**			
	Salaries and benefits	*24.1*	**27,260**	23,706
	Legal and professional		**5,150**	1,936
	Traveling and conveyance		**3,346**	2,346
	Vehicle running and maintenance		**2,064**	1,223
	Medical		**1,950**	1,549
	Rent, rate and taxes		**1,862**	1,779
	Auditors' remuneration	*24.2*	**865**	785
	Electricity, gas and water		**290**	312
	Entertainment		**792**	365
	Courses, seminar and subscription		**675**	162
	Repair and maintenance		**572**	346
	Communications		**530**	503
	Printing and stationery		**496**	556
	Insurance		**38**	143
	Advertisement		**7**	23
	Software Impairment		**3,072**	2,591
	Depreciation	*5.1.1*	**4,589**	4,924
	Miscellaneous		**13**	119
			53,571	43,368

24.1 This includes staff retirement benefits amounting to Rs. 2.1 million (2013: Rs. 2.0 million).

24.2	**Auditors' remuneration**			
	Audit fee		**550**	500
	Fee for half yearly review		**230**	200
	Other advisory services		**75**	75
	Out-of-pocket expense		**10**	10
			865	785
25.	**OTHER INCOME**			
	Income from financial assets			
	Profit on bank deposits		**375**	222
	Others			
	Freight income		**1,488**	1,988
	Scrap sales	*25.1*	**12,453**	5,653
	Miscellaneous income		**124**	7,852
	Net gain / (loss) on disposal of fixed assets		**854**	(731)
	Claims received		**1**	51
			15,295	15,035

25.1 It includes sales of PET crush amounting to Rs. 2.8 million (2013: 1.1 million).

			2014	2013
26.	**OTHER EXPENSES**		----- Rupees in '000' -----	
	Workers' welfare fund		**3,426**	1,836
	Workers' profits' participation fund		**7,063**	2,193
	Impairment loss on trade receivables		**7,920**	-
	Donation	*26.1*	**300**	250
	Abnormal Loss		**17,003**	-
			35,712	4,279

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

			2014	2013
			----- Rupees in '000' -----	
27.	**FINANCE COST**			
	Mark-up on:			
	Long-term financing		**32,789**	47,500
	Short-term borrowing		**31,121**	32,751
	Inland Bill Purchase		**5,277**	-
	Liabilities against assets subject to finance lease		**852**	1,705
			70,039	81,956
	LC usance and other charges		**39,813**	32,600
	Bank charges		**3,777**	2,042
	Exchange loss		**244**	171
			113,873	116,769
28.	**TAXATION**			
	Current			
	- for the year	*28.1*	**22,413**	8,924
	- prior year		**(10)**	-
			22,403	8,924
	Deferred			
	- relating to temporary differences		**31,104**	30,275
	- resulting from reduction in tax rate		**12,614**	-
			43,718	30,275
			66,121	39,199

28.1 The income tax assessments of the Company have been finalised up to and including the tax year 2013. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit

28.2 Due to 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.

		2014	2013
		----- Rupees in '000' -----	
29.	**EARNINGS PER SHARE - BASIC AND DILUTED**		
	Profit after tax	**57,567**	2,463
		-------- Numbers --------	
	Weighted average number of ordinary shares	**22,977**	22,977
		-------- Rupees --------	
	Earnings per share - basic and diluted	**2.51**	0.11

			2014	2013
30.	**CASH GENERATED FROM OPERATIONS**		----- Rupees in '000' -----	
	Profit before taxation		**123,688**	41,662
	Adjustment for non-cash charges and other items:			
	Depreciation		**91,765**	98,486
	Amortization of intangible assets		**74**	38
	Gain / (loss) on disposal of property, plant and equipment		**(854)**	731
	Provision for Workers' profits participation fund		**7,063**	1,836
	Provision for Workers' welfare fund		**3,426**	2,193
	Capital work in process write off		**3,072**	3,628
	Provision for doubtful debts		**7,980**	-
	Bad debts written off		**-**	2,230
	Provision for gratuity		**12,343**	8,840
	Finance cost		**113,873**	116,769
	Working capital changes	*30.1*	**(58,976)**	(90,458)
			303,454	185,955

30.1 Working capital changes

	2014	2013
(Increase) / decrease stores, spares and loose tools	**(18,097)**	4,725
(Increase) in stock in trade	**(13,466)**	(2,556)
(Increase) in trade debts	**(2,826)**	(75,013)
(Increase) in loans and advances	**(5,527)**	(6,140)
Decrease / (increase) in deposits, prepayments and other receivables	**22,817**	(20,369)
(Decrease) / increase in trade and other payables	**(41,877)**	8,895
	(58,976)	(90,458)

31. 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:

	2014			
	Chief executive	**Directors**	**Executive**	**Total**
		----- Rupees in '000' -----		
Managerial remuneration	9,492	4,095	8,607	22,195
House allowance and utilities	1,667	2,253	3,623	7,542
Servant allowance	569	-	-	569
Telephone allowance	478	-	-	478
Medical reimbursement	-	265	611	875
	12,207	6,613	12,841	31,660
Number of persons	1	1	9	

	2013			
	Chief executive	Directors	Executive	Total
		----- Rupees in '000' -----		
Managerial remuneration	8,436	3,570	6,968	18,974
House allowance and utilities	1,482	1,461	2,848	5,791
Servant allowance	506	-	-	506
Telephone allowance	425	-	-	425
Medical reimbursement	-	209	409	618
	10,849	5,240	10,225	26,314
Number of persons	1	1	6	

31.1 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.

32. PROVIDENT FUND DISCLOSURES

a) Disclosure with regards to Provident Fund/PF trust

		2014	2013
		----- Rupees in '000' -----	
(i)	Size of the Fund	**12,025,437**	10,331,644
(ii)	Cost of Investment made	**10,299,167**	8,457,214
(iii)	Percentage of Investment made	**86%**	82%
(iv)	Fair value of Investments	**11,925,555**	9,676,330

b) Break-up of investments is as under

	2014		2013	
Mutual funds				
- NIT	**7%**	**867,488**	6%	609,008
- Meezan Mutual Fund	**13%**	**1,618,065**	11%	1,111,532
- Pakistan Stock Market Fund	**25%**	**2,951,333**	21%	2,191,187
- UTP - Aggressive Asset Allocation Fund	**3%**	**375,822**	3%	274,593
		5,812,708		4,186,320
Banks deposits				
- Meezan Bank Limited	**51%**	**6,112,847**	53%	5,490,010
	99%	**11,925,555**	94%	9,676,330

32.1 The investments out of provident fund have been made in accordance with the provision of Section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

33. NUMBER OF EMPLOYEES

	2014	2013
	----- Rupees in '000' -----	
Number of employees including contractual employees at the end of year	**752**	731
Average number of employees including contractual employees during the year	**588**	597

34. 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:

	2014	2013
	----- Rupees in '000' -----	
Transactions during the year		
Consultancy fee paid	**1,870**	-
Sale of vehicles and office equipment	**2,135**	-
Post employment benefit paid	**-**	-
Contribution to staff provident fund	**5,162**	4,253
Payable as on balance sheet date with:		
Employees' provident fund trust	**2,374**	2,829
Post employment benefit payable	**25,981**	16,363

The remuneration of Chief Executive, Directors and Executives is disclosed in Note 31 to the financial statements.

35. SEGMENT REPORTING

	Injection		Blowing		Total	Total
	June 2014	June 2013	**June 2014**	June 2013	**June 2014**	June 2013
	(Rupees '000)		(Rupees '000)		(Rupees '000)	
Sales-net	**387,889**	454,388	**1,842,008**	1,315,610	**2,229,897**	1,769,998
Cost of sales	**(343,202)**	(409,399)	**(1,489,665)**	(1,108,903)	**(1,832,874)**	(1,518,302)
	44,687	44,989	**352,343**	206,707	**397,023**	251,696
Distribution cost	**(14,858)**	(15,571)	**(70,555)**	(45,082)	**(85,474)**	(60,653)
Administrative	**(9,357)**	(11,197)	**(44,434)**	(32,421)	**(53,571)**	(43,618)
	(24,214)	(26,768)	**(114,990)**	(77,503)	**(139,045)**	(104,271)
Operating profit	**20,472**	18,221	**237,353**	129,204	**257,978**	147,425
Segment assets	**627,340**	488,540	**644,966**	647,306	**1,139,492**	1,135,846
Unallocated assets	**-**	-	**-**	-	**521,356**	484,509
	627,340	488,540	**644,966**	647,306	**1,660,848**	1,620,355
Segment liabilities	**117,647**	114,132	**101,240**	115,827	**246,866**	229,959
Unallocated liabilities	**-**	-	**-**	-	**1,009,308**	1,068,238
	117,647	114,132	**101,240**	115,827	**1,256,174**	1,298,197
Capital expenditure	**8,630**	4,565	**7,517**	2,049	**16,147**	6,614
Unallocated capital expenditure	**-**	-	**-**	-	**47,900**	18,762
	8,630	4,565	**7,517**	2,049	**64,046**	25,376

35.1 Inter-segment sales have been eliminated from totals.

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

36. FINANCIAL INSTRUMENTS

36.1 Financial instruments by category

	2014	2013
Financial assets - loans and receivables	----- Rupees in '000' -----	
Security deposits	**6,064**	6,754
Trade debts	**222,273**	227,427
Loans and advances	**3,289**	2,389
Deposits, prepayments and other receivables	**6,892**	29,709
Cash and bank balances	**53,737**	24,289
	292,255	290,568
Financial liabilities - at amortised cost		
Long term loans	**227,483**	339,030
Liabilities against assets subject to finance lease	**7,685**	8,701
Trade and other payables	**359,565**	390,141
Accrued mark - up	**20,244**	19,846
Short term borrowings - secured	**359,858**	311,778
	974,835	1,095,263

37. 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.

37.1 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.

	2014	2013
	----- Rupees in '000' -----	
Trade debts	**235,148**	196,272
Loans and advances	**35,660**	30,133
Other receivables	**6,892**	29,709
Bank balances	**53,737**	24,268
	331,437	280,382

37.1.1 Impairment losses

The aging of trade debts at the reporting date was:

	2014		2013	
	Gross Value	**Impairment**	Gross Value	Impairment
	Rupees '000		Rupees '000	
Not Past Due	**137,255**	-	108,966	-
Past Due 1-60 Days	**63,170**	-	47,442	-
Past due 61 Days to 1 Year	**17,299**	-	63,310	-
More then 1-Year	**17,423**	**12,875**	12,604	4,895
	235,148	**12,875**	232,322	4,895

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

Credit rating	**2014**	2013
	----- Rupees in '000' -----	
A1+	**49,954**	12,529
A2		-
A1	**686**	1,130
A-1 +	**2,617**	10,609
	53,257	24,268

37.2 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:

	2014			
	Carrying Value	**Contractual cash flow**	**Up to one year**	**More than one year**
	----- Rupees in '000' -----			
Long term financing	227,483	256,358	107,308	149,050
Finance Lease	7,685	9,013	3,357	5,655
Trade and other payables	408,580	408,580	408,580	-
Short term borrowings	359,858	370,908	370,908	-
	1,003,606	**1,044,858**	**890,153**	**154,705**

	2013			
	Carrying Value	Contractual cash flow	Up to one year	More than one year
	----- Rupees in '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	-
	1,105,252	1,160,722	1,040,398	120,324

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.

37.3 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:

	2014		2013	
	Effective interest rate (%)	**Carrying amount (Rs. in '000')**	Effective interest rate (%)	Carrying amount (Rs. in '000')
Fixed rate instruments				
Long term financing	**12.50%**	**227,483**	12.55%	339,030
Finance lease	**13.44%**	**7,685**	13.24%	8,701
Short term borrowings	**12.70%**	**359,858**	13.00%	311,778

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. (2013: Rs. Nil)

37.4 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.

38. 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.

	2014	2013
39. PLANT CAPACITY AND ACTUAL PRODUCTION	Quantity in '000'	
Blowing		
Capacity - no. of bottles	**304,200**	304,200
Production - no. of bottles	**156,518**	117,043
Utilization	**51.45%**	38.48%
Injection		
Capacity - no. of preforms	**415,733**	415,733
Production - no. of preforms	**209,002**	180,070
Utilization	**50.27%**	43.31%

39.1 The underutilization of capacity was due to market constraints.

40. CORRESPONDING FIGURES

Certain prior year figures have been reclassified for the purpose of comparison. There were no major reclassifications to report.

41. DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 25, 2014 by the Board of Directors of the Company.

42. 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 23rd Annual General Meeting of the Company to be held on Friday October 24, 2014 ____and at any adjournment thereof. As witness I/we set my / our hand (s) this _______________________________ day of___________________2014 signed the said proxy in the presence of:

Witnesses:

1. **Signature:** ___________________________________

   Name: ___________________________________

   Address: ___________________________________

   ____

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

   Or

   Passport No. ______________________________________

2. **Signature:** ___________________________________

   Name: ___________________________________

   Address: ___________________________________

   ____

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

   Or

Passport No. ______________________________________

Signature

Revenue Stamp

(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.**