

Manufacturers of Quality PET Bottles and Preforms



**Condensed Interim Financial Information**  
for the First Quarter ended September 30, 2018  
[Un-Audited]

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Quality is  
**Our Forté**



# Vision & Mission Statement

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



# Corporate Strategy

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

# Company Information

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## BOARD OF DIRECTORS

Mr. Amar Zafar Khan	Chairman / Independent Director
Mr. Hussain Jamil	Chief Executive Officer
Mr. Shahid Jamil	Non-Executive Director
Mr. Ali Jamil	Non-Executive Director
Mr. Talat Mahmood Sadiq	Non-Executive Director
Mr. Asad Ali Sheikh	Independent Director
Ms. Laila Jamil	Non-Executive Director
Mr. Ahsan Jamil	(Alternate Director of Mr. Talat Mahmood Sadiq)
Mr. Rehan Jamil	(Alternate Director of Mr. Shahid Jamil)

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## AUDIT COMMITTEE

Mr. Asad Ali Sheikh	Chairman
Mr. Amar Zafar Khan	Member
Ms. Laila Jamil	Member

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## HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Amar Zafar Khan	Chairman
Mr. Hussain Jamil	Member
Mr. Asad Ali Sheikh	Member
Mr. Ali Jamil	Member
Ms. Laila Jamil	Member

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## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Muhammed Ali Adil

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## BANKERS

Habib Bank Limited	The Bank of Khyber
Bank Al-Habib Limited	Askari Bank Limited
JS Bank Limited	Pak Oman Investment Company Limited

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## AUDITORS

KPMG Taseer Hadi & Co.	Chartered Accountants
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## SHARE REGISTRAR

M/s. THK Associates (Pvt.) Limited 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi 75400, Pakistan.	Ballotter, Share Registrar & Transfer Agent
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## LEGAL ADVISOR

M/s. Ebrahim Hosain	Advocate & Corporate Counsel
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## REGISTERED OFFICE AND FACTORY

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

# DIRECTORS' REPORT

The Board of Directors of EcoPack Limited is pleased to present the Directors' Report and the unaudited financial statements for the quarter ended 30th September, 2018:

## OVERVIEW

Macro-economic woes continued to beset the economy flowing from the trends in the last 2 quarters of the prior year. A QoQ comparison with the previous year reveals that the PKR weakened by 18% against the USD. Crude oil prices went up QoQ almost 55% from USD 45 per barrel last year to USD 70/barrel this quarter. The function of these two factors has impacted your company's import based/priced raw and packing materials, spare parts, truck freight rates, electricity rates, manufacturing costs, etc., across the COGS very significantly.

In addition to this, the impact of fixed costs and financial charges on account of the new long term debt (LTD) for capacity expansion last year will have a negative impact on the bottom line in the relatively slower sales months. This is due to lower utilization of the enhanced capacity being unable to absorb the increased fixed costs in this quarter compared to the corresponding one last year. This financial impact will reverse in the last quarter of this financial year when the newly enhanced production capacity will be fully utilized and the resulting fixed costs will be substantially diluted, thereby increasing margins exponentially in comparison to this quarter.

Despite the above challenges, your company has established itself as a reliable and robust vendor of Preforms to the bottled Water and Soft-drinks industry as it is already for PET Bottles over the years. This sets the ground for aggressive profitable sales in the last two quarters of the financial year as your company will be poised as a 'preferred vendor of choice' to meet the rapidly growing demand of it's customers. The newly enhanced production output will also allow your company to add more customers to it's order book.

## SALES & FINANCIAL HIGHLIGHTS

Sales revenue increased by 105% from Rs. 537.0 million to Rs. 1.1 billion QoQ mainly due to the increase in Preforms sales by 140% in unit terms and increase of Pet resin price by approximately 56%. Gross profit remains unchanged at Rs. 73.7 million in the quarter under review against the same period last year. However, Operating profit slightly reduced to Rs. 31.3 million from Rs. 37.4 million due to comparatively higher operating cost QoQ. Strong headwinds due to hyperinflationary economic scenario has sharply increased the manufacturing and operating costs.

Financial charges for the quarter has significantly increased to Rs. 27.6 million from Rs. 9.1 million last year in the same period – a significant increase on account of long term lease obtained in the 3rd quarter of the last financial year for the expansion of Preform Injection capacity plus a comparatively higher KIBOR rate by 13%.

Pre-tax loss is Rs. 2.1 million against pre-tax profit of Rs. 23.8 million in the corresponding period last year QoQ due to fixed cost escalation by virtue of expansion last year. In the same token, Post-tax loss is Rs. 14.5 million against post-tax profit of Rs. 18.7 million in the same quarter last year, on account of the same reasons explained above.

Loss per share for the first quarter of FY 2018-2019 is Re. 0.48 per share against earning per share of Re. 0.62 per share for the same quarter last year.

## FUTURE OUTLOOK

While the strong inflationary trend is deepening its impact widely on the economy, the current financial year is expected to demand extraordinary efforts from your company's management and it's well experienced dedicated teams at all levels. Aligned with the market and in keeping with our motto of bringing value to our customers on the basis of (i) Best Quality Products (ii) Assured Supply & (iii) Competitive Pricing: your company is embarking on a new project to achieve product & customer diversification.

This project will be catering to some existing and new customers in close proximity to our plant facilities and is planned for start-up in this financial year which will add to the company's range of products while increasing profitability and improving the seasonality of our sales and cash-flows throughout the year. This will help create a diversified range of products and customers while increasing the company's financial stability and strength in future years.

## RISKS

Adverse macro-economic conditions and their timely resolution remain the main challenges for all businesses in the country. Further depreciation of the Pak Rupee and rise in crude oil prices are the main factors that will impact the costs and profits of your company in the months ahead. Your company's management, under the guidance of a well experienced and diversified interactive Board of Directors, is prepared to meet and counter the opposing forces and keep the company on course to achieving its best profitability to-date.

## COMPOSITION OF THE BOARD

Total number of Directors:

- (a) Male : 6
- (b) Female : 1

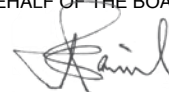
Composition:

	Category	Names
a)	Independent Directors	Mr. Asad Ali Sheikh & Mr. Amar Zafar Khan
b)	Other Non-Executive Directors	Mr. Shahid Jamil, Mr. Ali Jamil, Ms. Laila Jamil, Mr. Talat Mahmood Sadiq, Mr. Ahsan Jamil (Alternate Director of Mr. Talat Mahmood Sadiq), Mr. Rehan Jamil (Alternate Director of Mr. Shahid Jamil)
c)	Executive Directors	Mr. Hussain Jamil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



**Asad Ali Sheikh**  
Director



**Hussain Jamil**  
Chief Executive Officer

Hattar  
October 27, 2018



## مستقبل کے امکانات

اب جبکہ مہنگائی میں رونما ہونے والے زبردست رجحان کے معیشت پر اثرات گہرے ہوتے جا رہے ہیں تو ایسی صورتحال میں یہ توقع ہے کہ موجودہ مالی سال آپ کی کمپنی کی انتظامیہ اور اس کی بہترین تجربہ کار مصروف عمل ٹیموں سے غیر معمولی کاوشوں کا متقاضی ہوگا۔

مارکیٹ کے ساتھ ساتھ چلتے ہوئے (i) بہترین معیار کی مصنوعات (ii) یقینی سپلائی (iii) اور مسابقتی قیمتوں کی بنیاد پر اپنے صارفین کے لیے قابل قدر بننے کے اپنے نظریہ پر عمل پیرا ہوتے ہوئے آپ کی کمپنی مصنوعات اور صارفین کی کثیرالاجتی کے حصول کے مقصد سے نئے منصوبے کا آغاز کر رہی ہے۔

یہ منصوبہ ہمارے پلانٹ کے قریب وجوہات میں واقع چند موجودہ اور نئے صارفین کی ضروریات کو پورا کرے گا اور اسے موجودہ مالی سال کے آغاز میں شروع کرنے کا منصوبہ طے کیا گیا ہے، اس کی بدولت کمپنی کی مصنوعات کی اقسام میں اضافہ ہوگا جو نفع میں اضافے کا موجب بنے گا اور سال بھر ہمارے کیش فلو اور سیلز کو جاری رکھنے میں مدد ملے گی۔ اس کی بدولت ہمیں اپنی مصنوعات کی کثیر النوع تعداد اور صارفین میں اضافے میں مدد ملے گی جبکہ آئندہ سالوں کے دوران کمپنی کے مالیاتی استحکام میں اضافہ ہوگا۔

## خطرات

ملک بھر میں تمام کاروباری اداروں کے لیے بدترین بیکرواکنامک صورتحال اور ان کا بروقت حل نکالنا بنیادی چیلنج رہا۔ پاکستانی روپے کی قدر میں مزید کمی اور خام تیل کی قیمتوں میں اضافہ، ایسے عوامل ہیں جو آئندہ آنے والے مہینوں کے دوران آپ کی کمپنی کی لاگت اور نفع پر اثر انداز ہوں گے۔ آپ کی کمپنی کی انتظامیہ تجربہ کار اور کثیرالاجت فعال بورڈ آف ڈائریکٹرز کی راہنمائی میں مخالف قوتوں کا سامنا کرنے اور ان سے نمٹنے اور کمپنی کو اب تک کی اپنی بہترین نفع آور بہت کے ہدف کے حصول کے سفر پر گامزن رکھنے کے لیے تیار ہے۔

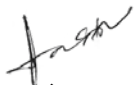
## بورڈ کی ہیئت

ڈائریکٹرز کی کل تعداد


الف -	مرد :	6
ب -	خواتین :	1

## ہیئت

نمبر شمار	تفصیل	نام
الف	خود مختار ڈائریکٹرز	جناب اسد علی شیخ اور جناب عامر ظفر خان
ب	دیگر ٹران اگیزیکٹو ڈائریکٹرز	جناب شاہد جمیل، جناب علی جمیل، محترمہ لیلیٰ جمیل، جناب طلعت محمود صادق، جناب احسن جمیل، (جناب طلعت محمود صادق کے متبادل ڈائریکٹر) جناب ریحان جمیل (جناب شاہد جمیل کے متبادل ڈائریکٹر)
پ	ایگزیکٹو ڈائریکٹرز	جناب حسین جمیل

  
اسد علی شیخ  
ڈائریکٹر

بورڈ آف ڈائریکٹرز کے لیے بورڈ کی جانب سے

  
حسین جمیل  
چیف ایگزیکٹو آفیسر

حطار

27 اکتوبر 2018

## ڈائریکٹر زربورٹ

ایکویپک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشواروں اور ڈائریکٹر زربورٹ کو مسرت کے ساتھ پیش کیا جاتا ہے

### جائزہ

سال بہ سال کی آخری دوسرے ماہیوں سے جاری رجحانات کے دوران میکرو اکنامک تناؤ کی وجہ سے معیشت دباؤ کا شکار رہی۔ گزشتہ مالی سال کے سہ ماہی سے سہ ماہی تقابل سے پتہ چلتا ہے کہ امریکی ڈالر کی نسبت پاکستانی روپے کی قدر میں 18 فیصد کمی واقع ہوئی۔ اسی طرح سہ ماہی سے سہ ماہی تناسب کے اعتبار سے خام تیل کی قیمتیں 45 ڈالر فی بیرل سے بڑھ کر اس سہ ماہی میں 70 ڈالر فی بیرل ہو گئیں جس کی وجہ سے 55 فیصد اضافہ دیکھنے میں آیا۔ ان دو عوامل کی وجہ سے آپ کی کمپنی کی درآمدی/لاگتی خام اور پیکنگ میٹریل، پینیر پائرس، ٹرک کے کرایوں، بجلی کی قیمتوں، پیداواری لاگتوں وغیرہ پر اثرات مرتب ہوئے اور اس کے اثرات فروخت کی جانے والی اشیاء کی لاگت پر انتہائی واضح طور پر نظر آئے۔

اس کے علاوہ گزشتہ سال کے دوران گنجائش میں اضافے کے لیے حاصل کیے جانے والے نئے طویل المدتی قرضے اور فکسڈ لاگتوں کے اثرات کا نتیجہ کم سبز والے مہینوں میں زیریں سطح پر منفی اثر مرتب ہوگا۔ اس کی وجہ بڑھائی جانے والی گنجائش کا کم استعمال ہے کیونکہ یہ گزشتہ ایک سال کی نسبت اس سہ ماہی میں اضافی فکسڈ لاگت کو جذب کرنے کے قابل نہیں ہے۔ یہ مالیاتی اثر اس مالی سال کی آخری سہ ماہی کے دوران اس وقت واپس لوٹے گا جب نئی زیادہ گنجائش والی پیداواری صلاحیت کو مکمل طور پر استعمال کیا جائے گا اور نتیجے میں ہونے والی فکسڈ لاگتیں خاطر خواہ طور پر کم ہو جائیں گی اور اس طرح اس سہ ماہی کی نسبت منافع میں زیادہ تیزی سے اضافہ ہوگا۔

مذکورہ بالا چیلنجز کے باوجود آپ کی کمپنی نے اپنے آپ کو ایک گزشتہ سالوں کے دوران PET بوتلوں کی طرح بوتل، بند پانی اور مشروبات کی انڈسٹری میں بھی پر یقار مزے کے ایک قابل اعتماد اور مضبوط فروخت کنندہ کے طور پر منوایا ہے۔ اس سے مالی سال کی آخری دوسرے ماہیوں کے دوران جاری حارہ نفع آور سبز کے لیے وجہ پیدا ہوتی ہے کیونکہ آپ کی کمپنی کو اپنے صارفین کی تیزی سے بڑھتی ہوئی طلب کو پورا کرنے والے، ترجیحی طور پر پسندیدہ فروخت کنندہ کی حیثیت حاصل ہوگی۔ پیداواری صلاحیت میں نئی اضافہ شدہ گنجائش کی بدولت آپ کی کمپنی کو نئے صارفین حاصل کرنے میں مدد ملے گی۔

### سیلز اور مالیات کے اہم نکات

سہ ماہی سے سہ ماہی تقابل کے اعتبار سے سیلز کے حجم میں 537 ملین روپے کی نسبت 1.1 بلین روپے کی سیلز کی وجہ سے 105 فیصد اضافہ ہوا جس کی بنیادی وجہ عدد اعتبار سے پر یقار مزے کی سیلز میں 140 فیصد اور PET Resin کی قیمت میں تقریباً 56 فیصد اضافہ تھا۔ زیر غور سہ ماہی کے دوران گزشتہ سال اسی سہ ماہی کی نسبت مجموعی نفع 73.7 ملین روپے ہی رہا اور اس میں کوئی تبدیلی نہیں ہوئی۔ تاہم آپ پر یٹنگ کے اخراجات میں معمولی سی کمی ہوئی جو کہ 37.4 ملین روپے سے کم ہو کر 31.3 ملین روپے رہے اور اس کی وجہ سہ ماہی سے سہ ماہی تقابل کے اعتبار سے نسبتاً زیادہ آپر یٹنگ اخراجات تھے۔ انتہائی زیادہ مہنگائی والی معاشی صورتحال کی تیز ہواؤں نے پیداواری اور آپر یٹنگ لاگتوں میں انتہائی زیادہ اضافہ کیا ہے۔ سہ ماہی کے دوران مالیاتی اخراجات میں واضح اضافہ ہوا، گزشتہ سال کی اسی مدت میں ہونے والے 9.1 ملین روپے کے مالی اخراجات کی نسبت اس سہ ماہی میں مالی اخراجات 27.6 ملین روپے ہوئے۔ یہ اخراجات گزشتہ مالی سال کی تیسری سہ ماہی میں پر یقار مزے کی پیداواری گنجائش میں وسعت کے لیے حاصل کردہ طویل المدتی قرضے اور 13 فیصد کے نسبتاً بلند KIBOR Rate کی مد میں واضح اضافہ ہیں۔

گزشتہ سال کے سہ ماہی سے سہ ماہی تقابل کے اعتبار سے قبل از ٹیکس نقصان 2.1 ملین روپے رہا جبکہ گزشتہ سال قبل از ٹیکس نفع 23.8 ملین روپے تھا۔ اس کی وجہ گزشتہ سال ہونے والی وسعت کی بدولت فکسڈ لاگت میں ہونے والا اضافہ ہے۔ اسی تناظر میں، بعد از ٹیکس نقصان 14.5 ملین روپے رہا جو کہ گزشتہ سال کی اسی سہ ماہی کے دوران 18.7 ملین روپے بعد از ٹیکس منافع تھا اور اس کی وہی وجوہات ہیں جن کا اوپر ذکر کیا گیا ہے۔

مالی سال 2018-2019 کی پہلی سہ ماہی کے دوران فی شیئر نقصان 0.48 روپے رہا جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران 0.62 روپے فی شیئر آمدن ہوئی تھی۔

## Condensed Interim Statement of Financial Position (Un-Audited)

### As on September 30, 2018

		September 2018	(Audited) June 2018
ASSETS	Notes	----- Rupees in '000' -----	
<b>Non-Current Assets</b>			
Property, plant and equipment	5	1,346,245	1,362,572
Security deposits		62,825	55,849
Intangibles		7,208	7,402
		1,416,278	1,425,823
<b>Current Assets</b>			
Stores, spares and loose tools		54,661	58,673
Stock in trade		295,488	224,659
Trade debts		259,258	454,623
Loans and advances		50,593	61,510
Deposits, prepayments and other receivables		14,137	9,387
Taxation - net		104,309	111,248
Cash and bank balances		84,989	79,733
		863,435	999,833
		2,279,713	2,425,656
<b>EQUITY AND LIABILITIES</b>			
Share capital and reserves			
Authorized capital			
50,000,000 (2018: 50,000,000) ordinary shares of Rs.10/- each		500,000	500,000
Issued, subscribed and paid-up capital		301,573	301,573
Surplus on revaluation of property and plant		157,838	161,552
Accumulated profit		396,592	407,360
		856,003	870,485
<b>Non-Current Liabilities</b>			
Long term loans		22,121	60,746
Liabilities against assets subject to finance lease		288,257	308,550
Deferred liabilities		239,470	236,580
		549,848	605,876
<b>Current Liabilities</b>			
Trade and other payables		250,490	297,597
Unclaimed dividend		1,302	1,302
Accrued mark - up		8,432	13,774
Short term borrowings		450,978	479,481
Current portion of non-current liabilities		162,660	157,141
		873,862	949,295
Contingencies and commitments			
		2,279,713	2,425,656

The annexed notes form an integral part of this Condensed interim financial information.



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER




DIRECTOR

## Condensed Interim Statement of Profit or Loss (Un-Audited)

### For the quarter ended September 30, 2018

		Jul - Sep 2018	Jul - Sep 2017
		----- Rupees in '000' -----	
Sales - net	7	1,099,204	537,001
Cost of sales	8	(1,025,500)	(463,149)
Gross profit		73,704	73,852
Distribution expenses		(20,402)	(16,311)
Administrative expenses		(21,975)	(20,109)
		(42,377)	(36,420)
<b>Profit from operations</b>		31,327	37,432
Other income		5,118	2,129
Other expenses		(11,011)	(6,630)
		(5,893)	(4,501)
Finance cost		(27,565)	(9,079)
<b>(Loss) / Profit before taxation</b>		(2,131)	23,852
Taxation		(12,352)	(5,140)
<b>(Loss) / Profit after taxation</b>		(14,483)	18,712
Earning per share - basic and diluted (in Rupee)		(0.48)	0.62

The annexed notes form an integral part of this Condensed interim financial information.



CHIEF FINANCIAL OFFICER



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DIRECTOR

## Condensed Interim Statement of Other Comprehensive Income [Un-Audited] For the quarter ended September 30, 2018

	Jul - Sep 2018	Jul - Sep 2017
	----- Rupees in '000' -----	
(Loss) / Profit after taxation	(14,483)	18,712
Other Comprehensive Income	-	-
<b>Total comprehensive income for the period transferred to equity</b>	<b>(14,483)</b>	<b>18,712</b>

The annexed notes form an integral part of this Condensed interim financial information.



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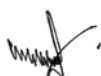
DIRECTOR

## Condensed Interim Statement of Changes in Equity (Un-Audited)

### For the quarter ended September 30, 2018

	Issued, sub- scribed and paid- up capital	Revaluation reserve	Retained earnings	Total Equity
	(Rupees in '000')			
<b>Balance as at July 1, 2017</b>	<b>287,212</b>	<b>175,887</b>	<b>308,150</b>	<b>771,249</b>
Total comprehensive income for the period				
- Profit after taxation	-	-	18,712	18,712
- Other comprehensive income for the period	-	-	-	-
	-	-	18,712	18,712
Transfer of incremental depreciation to retained earnings	-	(3,726)	3,726	-
<b>Balance as at September 30, 2017</b>	<b>287,212</b>	<b>172,161</b>	<b>330,588</b>	<b>789,961</b>
Total comprehensive income for the period				
- Profit after taxation	-	-	108,329	108,329
- Other comprehensive income for the period	-	781	136	917
	-	781	108,465	109,246
Transfer of incremental depreciation to retained earnings	-	(11,390)	11,390	-
Transaction with owners				
- Issuance of bonus shares	14,361	-	(14,361)	-
- Final dividend @ 10% for the year ended June 30, 2017	-	-	(28,721)	(28,721)
<b>Balance as at June 30, 2018</b>	<b>301,573</b>	<b>161,552</b>	<b>407,361</b>	<b>870,486</b>
Total comprehensive income for the period				
- Profit after taxation	-	-	(14,483)	(14,483)
- Other comprehensive income for the period	-	-	-	-
	-	-	(14,483)	(14,483)
Transfer of incremental depreciation to retained earnings	-	(3,714)	3,714	-
<b>Balance as at September 30, 2018</b>	<b>301,573</b>	<b>157,838</b>	<b>396,592</b>	<b>856,003</b>

The annexed notes form an integral part of this Condensed interim financial information.



CHIEF FINANCIAL OFFICER



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DIRECTOR

## Condensed Interim Statement of Cash Flows (Un-Audited) For the quarter ended September 30, 2018

	September 2018	September 2017
Notes	----- Rupees in '000' -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / Profit before taxation	(2,131)	23,852
<b>Adjustment for non-cash charges and other items:</b>		
Depreciation and amortization	34,224	27,851
Gain on disposal of property, plant and equipment	-	(586)
Provision for Workers' Welfare Fund	-	1,219
Provision for gratuity	4,506	3,961
Finance cost	27,565	9,079
	<b>64,164</b>	<b>65,376</b>
<i>Working capital changes</i>		
Decrease in stores, spares and loose tools	4,012	4,064
Decrease / (Increase) in stock in trade	(70,829)	61,370
Decrease in trade debts	195,365	50,390
Decrease in loans and advances	10,917	6,794
Increase in deposits, prepayments and other receivables	(4,750)	(18,403)
Decrease in trade and other payables	(47,107)	(12,694)
	<b>87,608</b>	<b>91,521</b>
Cash generated from operations	<b>151,772</b>	<b>156,897</b>
Finance cost paid	(32,907)	(15,014)
Gratuity paid	(172)	(18)
Taxes paid	(6,857)	(7,280)
Increase in security deposits	(6,976)	(452)
<b>Net cash generated from operating activities</b>	<b>104,860</b>	<b>134,133</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(16,321)	(14,395)
Proceeds from disposal of property, plant and equipment	-	655
Additions in intangible assets	-	(889)
<b>Net cash (used in) investing activities</b>	<b>(16,321)</b>	<b>(14,629)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Leases acquired during the year	6,000	-
Payments against lease obligations	(25,934)	(554)
Repayment of long term loans	(34,846)	(49,934)
<b>Net cash (used in) financing activities</b>	<b>(54,780)</b>	<b>(50,488)</b>
Net increase in cash and cash equivalents	<b>33,759</b>	<b>69,016</b>
Cash and cash equivalents at the beginning of the period	<b>(399,748)</b>	<b>(182,956)</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>(365,989)</b>	<b>(113,940)</b>

The annexed notes form an integral part of this Condensed interim financial information.

  
 CHIEF FINANCIAL OFFICER

  
 CHIEF EXECUTIVE OFFICER

  
 DIRECTOR

## Notes to and forming part of the Condensed Interim Financial Information (Un-Audited) For the quarter ended September 30, 2018

### 1. STATUS AND NATURE OF BUSINESS

Ecopack Limited (the Company) is a limited liability Company incorporated in Pakistan and is listed on Pakistan Stock Exchange Limited. The registered office and manufacturing facility of the Company is located at Hattar Industrial Estate, Khyber Pakhtunkhwa. 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.

### 2. BASIS OF PREPARATION

This condensed interim financial information is unaudited and has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and provisions of, and directives issued under the Companies Act 2017; in case, where the requirements of the International Accounting Standard differ, the provisions of, and directives issued under the Companies Act, 2017, have been followed. The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2018.

The comparative statement of financial position presented in this interim financial information has been extracted from the audited financial statements of the Company for the year ended June 30, 2018, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are extracted from the unaudited interim financial information for the quarter ended September 30, 2017.

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2018.

### 4. ESTIMATES AND JUDGEMENT

The preparation of Condensed interim financial information 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.



## Notes to and forming part of the Condensed Interim Financial Information (Un-Audited) For the quarter ended September 30, 2018

	Sep 30, 2018	(Audited) Jun 30, 2018
<b>5. PROPERTY, PLANT &amp; EQUIPMENT</b>		
<i>Addition during the period</i>		
Factory building & roads	961	7,553
Plant & Machinery - owned	7,332	44,931
Plant & Machinery - leased	-	411,689
Factory equipments	1,119	33,304
Office equipment	433	3,040
Vehicle - owned	-	236
Vehicle - leased	6,476	3,488
	<b>16,321</b>	<b>504,241</b>

### 6. CONTINGENCIES AND COMMITMENTS

- 6.1 No contingencies existed at the balance sheet date (June 2018: Nil).
- 6.2 Inland letter of credits in respect of procurement of PET as of September 30, 2018 amounted to Rs. 51.32 million (June 2018: Rs. 141.85).

	Jul - Sep 2018	Jul - Sep 2017
<b>7. SALES</b>		
Gross sales	1,283,803	628,992
Sales tax & discount	(184,599)	(91,991)
	<b>1,099,204</b>	<b>537,001</b>

## Notes to and forming part of the Condensed Interim Financial Information (Un-Audited) For the quarter ended September 30, 2018

	Jul - Sep 2018	Jul - Sep 2017
	----- Rupees in '000' -----	
<b>8. COST OF SALES</b>		
Raw material consumed	867,800	293,589
Packing material consumed	31,446	19,761
Salaries, wages & other benefits	52,868	43,545
Electricity, gas & water	71,828	41,281
Depreciation	32,186	26,429
Store consumed	7,421	9,048
Traveling & conveyance	5,158	3,471
Rent, rate & taxes	4,323	5,052
Repair & maintenance	2,152	2,345
Communication charges	440	408
Printing, postage & stationery	487	432
Entertainment	486	208
Medical expense	1,677	1,037
Insurance	1,165	1,502
Fee, Subscription & Professional charges	619	158
Shifting Charges	2,740	1,292
Vehicle repair & maintenance	2,744	1,368
Lab testing	127	413
Staff welfare and support	350	292
Miscellaneous	69	52
	<b>1,086,087</b>	<b>451,683</b>
Work-in-process - opening	132,730	63,558
Work-in-process - closing	(198,772)	(67,928)
	<b>(66,042)</b>	<b>(4,370)</b>
Cost of goods manufactured	<b>1,020,045</b>	<b>447,313</b>
Finished goods - opening	51,172	70,533
Finished goods - closing	(45,717)	(54,697)
	<b>5,455</b>	<b>15,836</b>
Cost of sales	<b>1,025,500</b>	<b>463,149</b>

## Notes to and forming part of the Condensed Interim Financial Information (Un-Audited) For the quarter ended September 30, 2018

### 9. SEGMENT ANALYSIS

	INJECTION		BLOWING		TOTAL	
	Jul - Sep 2018	Jul - Sep 2017	Jul - Sep 2018	Jul - Sep 2017	Jul - Sep 2018	Jul - Sep 2017
	<b>(Rupees in '000)</b>					
Sales-net	<b>721,706</b>	215,420	<b>377,498</b>	321,581	<b>1,099,204</b>	537,001
Cost of sales	<b>(682,737)</b>	(192,642)	<b>(342,763)</b>	(270,507)	<b>(1,025,500)</b>	(463,149)
	<b>38,969</b>	22,778	<b>34,735</b>	51,074	<b>73,704</b>	73,852
Distribution expenses	<b>(13,395)</b>	(6,543)	<b>(7,007)</b>	(9,768)	<b>(20,402)</b>	(16,311)
Administrative expenses	<b>(14,428)</b>	(8,067)	<b>(7,547)</b>	(12,042)	<b>(21,975)</b>	(20,109)
	<b>(27,824)</b>	(14,610)	<b>(14,553)</b>	(21,810)	<b>(42,377)</b>	(36,420)
Operating profit	<b>11,146</b>	8,168	<b>20,181</b>	29,264	<b>31,327</b>	37,432

### 10. DATE OF AUTHORIZATION

This Condensed interim financial information has been authorized for issue on October 27, 2018 by the Board of Directors of the Company.

### 11. GENERAL

Figures have been rounded off to the nearest thousand rupees.



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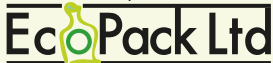


CHIEF EXECUTIVE OFFICER



DIRECTOR

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