

Manufacturers Of Quality PET Bottles and Preforms



Condensed Interim Financial Statements



For the Nine-Month Period ended
March 31, 2020 (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

BOARD OF DIRECTORS

Mr. Amar Zafar Khan	Chairman
Mr. Hussain Jamil	Chief Executive Officer
Mr. Ahsan Jamil	Non-Executive Director
Mr. Ali Jamil	Non-Executive Director
Mr. Asad Ali Sheikh	Non-Executive Director
Mr. Shahan Ali Jamil	Non-Executive Director
Mrs. Sonya Jamil	Non-Executive Director

AUDIT COMMITTEE

Mr. Asad Ali Sheikh	Chairman
Mr. Amar Zafar Khan	Member
Mr. Ahsan Jamil	Member
Mr. Shahan Ali Jamil	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

COMPANY SECRETARY

Mr. Awais Imdad

BANKERS

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

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

DIRECTORS' REPORT

The board of Directors' of EcoPack Limited is pleased to present the Directors' Report along with the unaudited financial statements of the company for the 9-month period ended 31st March 2020:

OVERVIEW

As conveyed earlier in the half year Report of the financial year ended December 2019, a struggling macro economy with high inflation, high interest rates and a depreciating Pak Rupee remained the over-arching driver of slow growth and a consequently declining GDP in the country. The ensuing average negative growth in the hitherto robust Beverage & soft drinks industry made it exceedingly difficult to pass on the widespread 'cost push' to our customers already facing a downward slide in their sales. Some hopeful signs of initial green shoots which appeared with stronger than expected sales demand in February 2020 signifying the advent of spring leading to expectations of an early hot summer season, were soon dashed with the outbreak of the Corona virus being declared a "pandemic" by the WHO in March this year. The lockdown that occurred in Pakistan, in line with regional neighbours facing the onslaught of the spread of the virus, gradually encompassed nearly all parts of the country and brought the retail markets and consequent sales and consumer activity (except food essentials, household items and medical goods) to a near shutdown. Several beverage companies also mostly/partly closed their manufacturing plants to apply the 'social isolation & distancing' imposed by the provincial governments to reduce the spread of Covid-19 among communities and cities, as intercity and international travel came to a grinding halt.

Thus, any hopeful prospects of a strong recovery which had begun quite effectively in February soon dissipated in March putting the robust sales plan of your company into sudden disarray. Nevertheless, your company's reputation and decades old relationships with its customers inspired them to repose confidence in the company as a tried and tested vendor, thereby enabling supplies at a considerably reduced rate compared to the usual high summer demand each year. While your management is well prepared to meet the summer season's exponential demand in sales with abated breath, the hope is that market activity will resume some traction as summer temperatures soar plus the onset of Ramazan will induce its traditional consumption very soon.

SALES & FINANCIAL HIGHLIGHTS

Amid the uncertain overall economic situation after the COVID-19 pandemic outbreak in the last month of period under review, the sales revenue decreased by 24% from Rs. 2.48 billion in first 9 months of FY 2019 to Rs. 1.87 billion during the commensurate period under review. Preform sales in unit terms decreased by 29% while Bottle sales decreased by 9% in the YoY comparison for respective 9 months of each year. Basic raw material (PET resin) price decreased by approximately 13% which also contributed to the decrease in topline revenue. Gross profit arrived at Rs. 23.9 million during the first nine month period of FY 2020 against the gross profit of Rs. 121.4 million in the same period last year. Strong inflationary headwinds which severely impacted our costs along with comparatively lower sales volumes are the main reasons for the gross loss. Electricity cost significantly increased by 45% while cost of freight has also increased by 12% YoY for 9 months. Likewise, Operating Loss is recorded by Rs. 73.5 million against an Operating Profit of Rs. 27.3 million versus the same period last year.

Financial charges increased from Rs. 73.8 million to Rs. 118.6 million, an increase of Rs. 44.7 million YoY-9 months because long term loans were obtained for projects to enhance Preform production capacity & for implementing the large size bottles project last year. A sharp increase in SBP KIBOR rates by almost 300 BPS (28% higher as compared to the same period last year) also contributed significantly to this increase. However, despite high inflation and rising financial costs leading to an operating loss, your Company has been able to meet its financial obligations and repay its long term debt to the tune of Rs. 109.5 million during the first 9 months of FY 2020.

Pre-tax loss is recorded at Rs. 193.7 million against a pre-tax loss of Rs. 50.6 million in the corresponding period last year. However, Post-tax loss comes to Rs. 152.5 million against a post-tax loss of Rs. 47.9 million YoY-9 months.

Loss per share (basic and diluted) for the first nine months period ended March 31, 2020 is Rs. 4.0 per share against Rs. 1.26 loss per share for the comparable period last year.

FUTURE OUTLOOK

Despite the current challenges to businesses at large, your company remains cautiously hopeful in the face of this unprecedented situation. The timely recent expansions in production capacity for market based Preforms and diversification into the new sector of 'large bottles & containers' for the edible oil, drinking water, syrups & chemical packaging industries has considerably reduced your company's reliance on a single set of large beverage customers. Slowly and steadily these investments are taking root to commence paying returns as our order book expands to include several reputed companies, thus securing our business growth in more stable and profitable areas of essential consumer goods. This sector of the market affords us sales all year round as well as compliments the seasonality of the hot weather driven sales to the Beverage companies.

While much of the recovery envisaged in the current peak summer season depends on the fast resumption of business activity and handling of disruptions/lockdowns by the authorities due to the spread of the Corona virus, an early decrease in the infection curve is the over-riding determinant for the company's return to stability.

Your company's management is carefully taking stock of all the concessions and remedial offers made by the SBP for rearranging/restructuring its finances and loans to salvage itself in the current pandemic situation, as best as possible. While belt tightening and cost cutting have continually been your management's focus, we are ensuring that our employees retain their livelihood while making suitable adjustments in payroll as well as by undertaking multiple roles and additional tasks to ensure employment for our work force at the base floor level. Every effort and stratagem will be employed to ensure the viability of your company as a robust & viable business to effectively counter this extraordinary and unforeseen challenge engulfing the entire world.

On a positive note, the present crash of crude oil prices internationally is likely to be a significant boon for oil importing countries such as Pakistan, creating valuable fiscal space. It is likely to help your company as Pet resin prices, transport freight charges, electricity rates and cost of packing materials reduce proportionately. This is widely expected to help the Government bring down both the intertwined inflation and interest rates, as a welcome outcome.

RISKS

The single biggest factor capable of playing havoc with the lives and livelihood of people and the economy at large remains the containment of the Corona virus and treatment of the disease. The overall recovery of the economy is predicated on the way we act collectively and cooperate across the board as a society to beat this scourge. Some countries have shown us the way by their restraining actions and discipline – perhaps we will follow suit in our own interest and not throw caution to the waves!

As the 'current account deficit' (CAD) of the country remains under pressure so too will the value of the Pak Rupee be impacted. This factor alone could somewhat mitigate much of the gains cheap oil could bring to our shores.

For & On Behalf of The Board of Directors of EcoPack Limited



HUSSAIN JAMIL
CEO



ASAD ALI SHEIKH
Director

April 23, 2020
Karachi.

“ANNEXURE A” TO THE DIRECTORS’ REPORT

1. The total number of Directors are seven as follows:

- | | | |
|-----------|---|----|
| a. Male | : | 06 |
| b. Female | : | 01 |

2. The composition of the Board is as follows:

a) Independent Directors

- | | |
|-------------------------|-------------------------|
| (1) Mr. Asad Ali Sheikh | (2) Mr. Amar Zafar Khan |
|-------------------------|-------------------------|

b) Non-executive Directors

- | | | |
|---------------------|-------------------|--------------------------|
| (1) Mr. Ahsan Jamil | (2) Mr. Ali Jamil | (3) Mr. Shahan Ali Jamil |
|---------------------|-------------------|--------------------------|

(c) Executive Directors

- (1) Mr. Hussain Jamil

(d) Female Director

- (1) Mrs. Sonya Jamil (Non-executive Director)

3. The Board has formed committees comprising members as given below:

a) Audit Committee

- | | | |
|--------------------------|---|----------|
| (1) Mr. Asad Ali Sheikh | - | Chairman |
| (2) Mr. Amar Zafar Khan | - | Member |
| (3) Mr. Ahsan Jamil | - | Member |
| (4) Mr. Shahan Ali Jamil | - | Member |

b) Human Resource and Remuneration (HR & R) Committee

- | | | |
|-------------------------|---|----------|
| (1) Mr. Amar Zafar Khan | - | Chairman |
| (2) Mr. Hussain Jamil | - | Member |
| (3) Mr. Ahsan Jamil | - | Member |
| (4) Mr. Ali Jamil | - | Member |
| (5) Mr. Asad Ali Sheikh | - | Member |

4. The Board has approved the Remuneration Policy of Directors and significant features are as follows:

- The Board of Directors (“BOD”) shall, from time to time, determine and approve the remuneration of the members of the BOD for attending Board Meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BOD, and shall be aimed at attracting and retaining members needed to govern the Company successfully and creating value addition.
- No single member of the BOD shall determine his/her own remuneration.

For & on behalf of the Board of Directors



HUSSAIN JAMIL
CEO



ASAD ALI SHEIKH
Director

April 23, 2020
Karachi.

ڈائریکٹرز رپورٹ

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے مورخہ 31 مارچ 2020 کو ختم ہونے والی نو ماہی کے لیے ڈائریکٹرز رپورٹ کو غیر آڈٹ شدہ مالیاتی گواہیوں کے ساتھ مسرت سے پیش کیا جا رہا ہے:

جائزہ

جیسا کہ دسمبر 2019 کو ختم ہونے والے مالی سال کی ششماہی رپورٹ میں پہلے بتایا جا چکا ہے، شدید مہنگائی، بلند شرح سود اور پاکستانی روپے کی قدر میں تنزلی کے ساتھ جدوجہد کرتی ایک بڑی معیشت سست نمو کی وجہ رہی ہے اور نتیجتاً ملکی جی ڈی پی میں کمی واقع ہو رہی ہے۔ مشروبات سازی کی مضبوط صنعت میں آنے والی اب تک کی اوسط منفی نمو کی وجہ سے وسیع پیمانے پر لاگتی دباؤ کو ہمارے صارفین پر منتقل کرنا انتہائی مشکل تھا کیونکہ وہ پہلے ہی سے اپنی فروخت کے حجم میں کمی کا سامنا کر رہے تھے۔ ابتدائی طور پر بہتری کی کچھ پر امید نشانیاں جو کہ فروری 2020 میں متوقع فروخت سے زیادہ فروخت کی صورت میں سامنے آئیں اور اس سے قبل از وقت موسم گرما سے جو توقعات وابستہ تھیں وہ تمام تر کرونا وائرس جسے ڈبلیو ایچ او کی جانب سے اس سال مارچ میں ایک وبا قرار دیا گیا کی وجہ سے ختم ہو گئیں۔ وائرس کے پھیلاؤ کے پیش نظر پاکستان اور اس کے علاقائی پڑوسی ممالک میں ہونے والے لاک ڈاؤن نے بتدریج ملک کے تمام حصوں کو اپنی لپیٹ میں لیا اور ضروری خوراک، گھریلو استعمال کی اشیاء اور طبی اشیاء کے علاوہ ریٹیل مارکیٹیں بند ہونے کے نتیجے میں فروخت اور صارفین کی سرگرمی تقریباً ختم ہونے کو آگئی۔ متعدد مشروب ساز کمپنیوں نے زیادہ تر یا جزوی طور پر اپنے پیداواری پلانٹس کو بند کر دیا تاکہ آبادیوں اور شہروں میں کرونا وائرس Covid-19 کے پھیلاؤ کو روکنے کے لیے صوبائی حکومتوں کی پابندی کے مطابق سماجی دوری اور فاصلے کو یقینی بنایا جاسکے جبکہ شہروں کے مابین اور بین الاقوامی سفر پر مکمل پابندی عائد رہی۔

لہذا، فروری میں بحالی کی پیدا ہونے والی ٹھوس امید مارچ میں دم توڑ گئی اور فروخت سے متعلق آپکی کمپنی کے زبردست منصوبے غیر فعال ہو گئے۔ اس کے باوجود، آپ کی کمپنی کی سلاکھ اور صارفین کے ساتھ دہائیوں پر مشتمل تعلقات نے انہیں کمپنی پر ایک آزمائے ہوئے وینڈر کے طور پر اپنے اعتماد کو بحال رکھنے دیا اور اس طرح سپلائی کو جاری رکھنے میں مدد ملی جو کہ ہر سال موسم گرما کی عمومی بلند طلب کی نسبت کم شرح پر تھی۔ جبکہ آپ کی انتظامیہ موسم گرما کی بلند طلب سے نمٹنے کے لیے تیار ہے، امید ہے کہ مارکیٹ کی سرگرمی موسم گرما کی شدت میں اضافے کے ساتھ تیزی پکڑے گی اور اس کے ساتھ ساتھ رمضان کی آمد اپنی روایتی کھپت کو جلد ہی شروع ہونے میں مدد دے گی۔

سیلز اور مالیات کے نمایاں پہلو

زیر جائزہ مدت کے آخری مہینے کے دوران Covid-19 وباء کے پھوٹ پڑنے کے بعد غیر یقینی مجموعی معاشی صورتحال کے وسط میں، سیلز کی آمدن زیر جائزہ مساوی مدت کے دوران مالی سال 2019 کے پہلے نو مہینوں میں 2.48 بلین روپے سے 24 فیصد کم ہو کر 1.87 بلین روپے رہی۔ اکائیوں کے حساب سے پیرفرام کی فروخت میں 29 فیصد کمی واقع ہوئی جبکہ بوتلوں کی فروخت میں سال بہ سال نو ماہی کے تقابل کے اعتبار سے 9 فیصد کمی واقع ہوئی۔ بنیادی خام مال، PET-Resin کی قیمت تقریباً 13 فیصد کم ہوئی اور اس سے بھی مجموعی آمدن میں کمی واقع ہوئی۔ مالی سال 2020 کی پہلی نو ماہی مدت کے دوران مجموعی نفع 23.9 ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت کے دوران 121.4 ملین روپے تھا۔ مہنگائی کی تیز لہریں جنہوں نے ہماری لاگتوں پر شدید اثرات مرتب کیے اور اس کے ساتھ نسبتاً فروخت میں واقع ہونے والی کمی مجموعی نقصان کی بڑی وجوہات ہیں۔ بجلی کی قیمت میں 45 فیصد کا بڑا اضافہ ہوا جبکہ ترسیلاتی لاگت میں بھی سال بہ سال نو ماہی تقابلی اعتبار سے 12 فیصد اضافہ ہوا۔ اسی طرح، آپریٹنگ نقصان 73.5 ملین روپے ہوا جو کہ گذشتہ سال اسی مدت کے دوران 27.3 ملین روپے منافع تھا۔

مالیاتی اخراجات 73.8 ملین روپے سے بڑھ کر 118.6 ملین روپے تک پہنچ گئے جس کی وجہ سے سال بہ سال نو ماہی میں 44.7 ملین روپے کا اضافہ ہوا کیونکہ پیرفرام کی پیداواری گنجائش میں اضافے اور گذشتہ سال بڑے ساز کی بوتلوں کے منصوبے پر عمل کے لیے طویل المدت قرضے حاصل کیے گئے تھے۔ سٹیٹ بینک آف پاکستان کے کابریٹ ریش میں تقریباً 300 بی پی پلس کے تیز اضافے نے (جو کہ گذشتہ سال کی اسی مدت سے 28 فیصد زیادہ رہا) بھی اس اضافے میں نمایاں حصہ ڈالا۔ تاہم بلند افراط زر اور آپریٹنگ نقصان کا باعث بننے والی بڑھتی ہوئی مالی لاگتوں کے باوجود، آپ کی کمپنی اپنی مالی ذمہ داریوں کو پورا کرنے کے قابل رہی اور مالی سال 2020 کی پہلی نو ماہی کے دوران 109.5 ملین روپے تک کے اپنے طویل المدت قرض کی ادائیگی کے قابل رہی۔ قبل از ٹیکس نقصان 193.7 ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت کے دوران 50.6 ملین روپے تھا۔ تاہم، بعد از ٹیکس نقصان 152.5 ملین روپے رہا جو سال بہ سال نو ماہی کے دوران تقابلی طور پر 47.9 ملین روپے تھا۔

31 مارچ 2020 کو ختم ہونے والی نو ماہی کے دوران basic & diluted شیئر پر فی شیئر نقصان 4 روپے رہا جو کہ گذشتہ سال اسی مدت کے دوران 1.26 روپے فی شیئر تھا۔

مستقبل کے امکانات

کاروبار کو بڑے پیمانے پر درپیش موجودہ مشکلات کے باوجود، آپ کی کمپنی اس غیر متوقع صورتحال کے دوران محتاط طور پر، پر امید ہے۔ مارکیٹ میڈ پیرفرامز اور خوردنی تیل، پینے کے پانی، سیرپس اور کیمیکل بینکنگ انڈسٹریوں کے لیے بڑی بوتلوں اور مربتاؤں کے نئے شعبے میں کثیر الجہتی کے لیے پیداواری گنجائش میں حالیہ بروقت اضافے نے آپ کی کمپنی کا صرف مشروباتی صنعت کے بڑے صارفین پر انحصار نمایاں طور پر کم کیا ہے۔ آہستگی کے ساتھ بتدریج طور پر یہ سرمایہ کاریاں نفع دینے کے لیے جڑ پکڑ رہی ہیں کیونکہ ہماری آرڈر بک میں متعدد مشہور کمپنیاں شامل ہو رہی ہیں اور اس طرح ہمارا کاروبار لازمی کھپت والی اشیاء کے زیادہ مستحکم اور نفع آور کاروبار میں پھل پھول رہا ہے۔ مارکیٹ کا یہ حصہ ہمیں سال بھر فروخت جاری رکھنے میں مدد دیتا ہے اور اس کے علاوہ موسم گرما کے دوران مشروب ساز کمپنیوں کو فروخت کا موقع بھی ملتا ہے۔

جبکہ موجودہ بلند موسم گرما میں ریکوری کا انحصار کاروبار کی تیزی اور اتھارٹیز کی جانب سے کرونا وائرس کے پھیلاؤ کے تناظر میں رکاوٹوں/لاک ڈاؤن کی صورتحال پر ہے، انفیکشن کے اشاریے میں جلد کمی استحکام کی جانب کمپنی کے واپس سفر کے لیے ایک رکاوٹ ہے۔

آپ کی کمپنی انتظامیہ اپنی مالیات اور قرضوں کو از سر نو شروع کرنے /ری سٹرکچر کروانے کے لیے سٹیٹ بینک آف پاکستان کی جانب سے پیشکش کردہ تمام تر رعلیتوں اور ازالے کی پیشکشوں کا محتاط انداز میں حساب کر رہی ہے تاکہ اسے موجودہ وبائی صورتحال میں خود کو محفوظ رکھنے میں مدد مل سکے۔ جبکہ آپ کی انتظامیہ کی توجہ ہمیشہ سے ہی بیٹ ٹائٹ رکھنے اور اخراجات میں کمی کرنے پر رہی ہے، ہم تنخواہوں میں مناسب ایڈجسٹمنٹ کر کے اور اپنے ملازمین کو مختلف کردار اور اضافی ذمہ داریاں سونپ کر اس امر کو یقینی بنا رہے ہیں کہ نچلی سطح تک کے ہمارے ملازمین کا روزگار برقرار رہے۔ آپ کی کمپنی کی بطور ایک متحرک اور عملی کاروبار کے طور پر موزونیت کو یقینی بنانے کے لیے ہر ممکن کوشش اور حکمت عملی اپنائی جائے گی تاکہ دنیا بھر پر حاوی ہو جانے والی اس غیر متوقع اور غیر معمولی صورتحال سے موثر طور پر نمٹا جاسکے۔


مثبت طور پر، بین الاقوامی سطح پر خام تیل کی قیمتوں میں شدید کمی، تیل درآمد کرنے والے ممالک مثلاً پاکستان کے لیے ایک نمایاں فائدے کا باعث بننے والی ہے اور اس سے ایک قابل قدر معاشی لپک پیدا ہوگی۔ اس سے آپ کے ملک کو مدد ملنے کا امکان ہے کیونکہ PET Resin کی قیمتوں، ترسیلاتی کرایوں، بجلی کے نرخوں اور پیکنگ میٹیریلز کی قیمتوں میں بھی اسی تناسب سے کمی واقع ہوگی۔ اس سے بڑے پیمانے پر توقع ہے کہ اس سے حکومت کو شدید مہنگائی اور شرح سود میں کمی لانے میں مدد ملی گی اور یہ ایک خوش آئند نتیجہ ہو گا۔

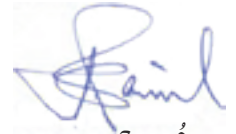
خطرات

لوگوں کی زندگیوں اور معاش اور معیشت کے لیے بڑی تباہی پھیلانے کی صلاحیت رکھنے والا واحد سب سے بڑا عنصر کرونا وائرس کو محدود کرنا اور اس بیماری کا علاج ہے۔ معیشت کی مجموعی بحالی اور اس وباء کو صرف اسی صورت میں شکست ہو سکتی ہے جب ہم بحیثیت مجموعی معاشرتی طور پر باہم تعاون کریں۔ چند ممالک نے اپنے بچاؤ کے لیے کیے گئے اقدامات اور نظم و ضبط کے ذریعے ہمیں راستہ دکھایا ہے۔ شاید ہم اپنی بہتری میں ان پر عمل کریں اور احتیاطی تدابیر کو ہوا میں نہیں اڑائیں گے۔

چونکہ ملک کا موجودہ اکاؤنٹ خسارہ دباؤ میں ہے لہذا اس سے پاکستانی روپے کی قدر بھی متاثر ہوگی۔ یہ عنصر اکیلا ہی ان بہت سے فوائد کو کسی حد تک کم کر سکتا ہے جو سستے تیل کی صورت میں ہمیں پہنچ سکتے تھے۔

ایکویپک لمیٹڈ اور اس کے بورڈ آف ڈائریکٹرز کے لیے انکی جانب سے


اسد علی خان
ڈائریکٹر


حسین جمیل
چیف ایگزیکٹو آفیسر

23 اپریل، 2020

کراچی

ڈائریکٹرز رپورٹ کا ضمیمہ الف

ڈائریکٹرز کی کل تعداد 07 بمطابق ذیل ہے:

الف۔	مرد	:	06
ب۔	عورت	:	01

بورڈ کی سیٹ مندرجہ ذیل ہے:

الف۔	خود مختار ڈائریکٹرز	۲	جناب عامر ظفر خان
۱	جناب اسد علی شیخ		
ب۔	نان ایگزیکٹو ڈائریکٹرز	۲	جناب علی جمیل
۱	جناب احسن جمیل	۳	جناب شاہان علی جمیل
پ۔	ایگزیکٹو ڈائریکٹرز		جناب حسین جمیل

ت۔ خاتون ڈائریکٹر
محترمہ سونیا جمیل (نان ایگزیکٹو ڈائریکٹر)

بورڈ نے مندرجہ ذیل اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

آڈٹ کمیٹی

جناب اسد علی شیخ	-	چیئر مین
جناب عامر ظفر خان	-	رکن
جناب احسن جمیل	-	رکن
جناب شاہان علی جمیل	-	رکن

انسانی وسائل اور معاوضہ جات (HR & R) کی کمیٹی

جناب عامر ظفر خان	-	چیئر مین
جناب حسین جمیل	-	رکن
جناب احسن جمیل	-	رکن
جناب علی جمیل	-	رکن
جناب اسد علی شیخ	-	رکن

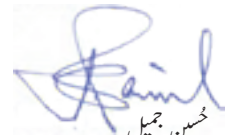
بورڈ نے ڈائریکٹرز کی معاوضے کی پالیسی کی منظوری دی ہے جس کے چیدہ چیدہ پہلو از ذیل ہیں:

بورڈ آف ڈائریکٹرز (BOD) بورڈ کے اجلاسوں میں شامل ہونے کے لیے وقتاً فوقتاً BOD اراکین کے معاوضے کا تعین کر کے منظوری دیتا رہے گا۔ اس سطح کا معاوضہ BOD کے اراکین کی ذمہ داری کی سطح اور انکی مہارت کے مطابق موزوں اور مساوی ہو گا اور اس کا مقصد کمپنی کو کامیابی سے چلانے اور قدرتی اضافہ کرنے کے لیے درکار اراکین کو متوجہ کرنا اور برقرار رکھنا ہے۔ BOD کا کوئی ایک بھی رکن اپنے معاوضے کا خود تعین نہیں کرے گا۔

برائے اور مخائب بورڈ آف ڈائریکٹرز



اسد علی شیخ
ڈائریکٹر



حسین جمیل
چیف ایگزیکٹو آفیسر

23 اپریل، 2020
کراچی

Condensed Interim Statement of Financial Position

As on March 31, 2020

		Un-Audited March 31, 2020	Audited June 30, 2019
		----- Rupees in '000' -----	
ASSETS	Note		
Non-Current Assets			
Property, plant and equipment	5	1,433,804	1,426,872
Intangibles		6,310	6,623
Advance for capital expenditure		-	18,207
Long-term deposits		12,516	12,143
		1,452,630	1,463,845
Current Assets			
Stores, spares and loose tools		63,340	63,239
Stock in trade	6	463,313	324,830
Trade debts	7	230,304	402,706
Loans and advances		44,554	123,641
Deposits, prepayments and other receivables		33,430	13,973
Taxation - net		155,447	138,581
Cash and bank balances		10,295	35,513
		1,000,683	1,102,483
Total assets		2,453,313	2,566,328
EQUITY AND LIABILITIES			
Share capital	8	381,490	346,809
Revaluation surplus on property and plant		134,361	144,962
Accumulated profit		221,687	415,651
		737,538	907,422
Non-Current Liabilities			
Long-term liabilities		56,827	67,968
Lease liabilities	9	153,497	200,636
Deferred liabilities		263,960	289,687
		474,284	558,291
Current Liabilities			
Trade and other payables		169,555	203,452
Unclaimed dividend		3,007	2,527
Short-term borrowings	10	963,685	737,682
Current portion of non-current liabilities		105,244	156,954
		1,241,491	1,100,615
Total equity and liabilities		2,453,313	2,566,328
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

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

For the nine-month period ended March 31, 2020

	Note	Nine-months ended		Three-months ended	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		----- Rupees in '000' -----		----- Rupees in '000' -----	
Sales - net	12	1,875,153	2,478,545	807,706	1,078,346
Cost of sales	13	(1,851,190)	(2,357,147)	(726,876)	(958,221)
Gross profit		23,963	121,398	80,830	120,125
Distribution expenses		(21,765)	(20,223)	(7,674)	(6,927)
Administrative expenses		(75,124)	(73,861)	(22,728)	(23,027)
Impairment loss on trade debts		(598)	-	-	-
		(97,487)	(94,084)	(30,402)	(29,954)
(Loss)/ profit from operations		(73,524)	27,314	50,428	90,171
Other income		14,188	12,100	222	6,723
Other expenses		(15,761)	(16,184)	(7,916)	(5,639)
		(1,573)	(4,084)	(7,694)	1,084
Finance cost		(118,608)	(73,852)	(45,101)	(31,262)
(Loss)/ profit before taxation		(193,705)	(50,622)	(2,367)	59,993
Taxation		41,161	2,623	(7,356)	(25,476)
(Loss)/ profit after taxation		(152,544)	(47,999)	(9,723)	34,517
		Restated		Restated	
Earnings per share - basic and diluted (Rupees)	14	(4.00)	(1.26)	(0.25)	0.90

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)

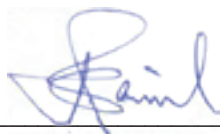
For the nine-month period ended March 31, 2020

	Nine-months ended		Three-months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees in '000' -----		----- Rupees in '000' -----	
(Loss)/ profit after taxation	(152,544)	(47,999)	(9,723)	34,517
Other Comprehensive Income for the period	-	-	-	-
Total comprehensive income for the period	<u>(152,544)</u>	<u>(47,999)</u>	<u>(9,723)</u>	<u>34,517</u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Changes In Equity (Un-Audited)

For the nine-month period ended March 31, 2020

	Share Capital	Revaluation surplus on Property and plant	Revenue Reserve- Accumulated Profit	Total Equity
	(Rupees in '000')			
Balance as at July 1, 2018- as previously reported	301,573	161,552	407,360	870,485
Effect of restatement	-	-	6,261	6,261
Restated balance as at July 1, 2018	301,573	161,552	413,621	876,746
Total comprehensive income for the period				
- Loss after taxation for the period	-	-	(47,999)	(47,999)
- Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(47,999)	(47,999)
Comprehensive income for the period transferred to equity				
Transfer of incremental depreciation - net of deferred tax	-	(11,142)	11,142	-
Transactions with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 15%	45,236	-	(45,236)	-
- Final dividend @ 10% for the year ended June 30, 2018	-	-	(30,157)	(30,157)
Total distribution to members	45,236	-	(75,393)	(30,157)
Balance as at March 31, 2019	346,809	150,410	301,371	798,590
Balance as at July 1, 2019	346,809	144,962	415,651	907,422
Total comprehensive income for the period				
- Loss after taxation for the period	-	-	(152,544)	(152,544)
- Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(152,544)	(152,544)
Comprehensive income for the period transferred to equity				
Transfer of incremental depreciation - net of deferred tax	-	(10,601)	10,601	-
Transactions with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 10%	34,681	-	(34,681)	-
- Final dividend @ 5% for the year ended June 30, 2019	-	-	(17,340)	(17,340)
Total distribution to members	34,681	-	(52,021)	(17,340)
Balance as at March 31, 2020	381,490	134,361	221,687	737,538

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Condensed Interim Statement of Cash Flows (Un-Audited)

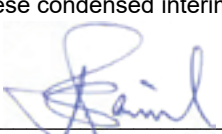
For the nine-month period ended March 31, 2020

	March 31, 2020	March 31, 2019
Note	----- Rupees in '000' -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(193,705)	(50,622)
Adjustment for non-cash charges and other items:		
Depreciation and amortization	101,323	88,474
Gain on disposal of property, plant and equipment	-	(198)
Impairment loss on trade debts	598	-
Reversal of provision for bonus	(474)	-
Provision for gratuity	19,849	11,515
Finance cost	118,608	73,852
	46,199	123,021
<i>Working capital changes</i>		
Increase in stores, spares and loose tools	(101)	(1,915)
Increase in stock in trade	(138,483)	(195,774)
Decrease in trade debts	171,804	45,096
Decrease/ (increase) in loans and advances	79,087	(13,869)
Increase in deposits, prepayments and other receivables	(19,457)	(29,292)
Increase/ (decrease) in trade and other payables	(28,155)	(139,483)
	64,695	(335,237)
<i>Cash generated from operations</i>	110,894	(212,217)
Finance cost paid	(121,659)	(76,844)
Gratuity paid	(4,415)	(237)
Workers' profit participation fund paid	(5,742)	(7,285)
Taxes paid	(16,866)	(7,552)
Increase in long term deposits	-	(463)
Net cash generated from operating activities	(37,788)	(304,597)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(89,455)	(50,915)
Proceeds from disposal of property, plant and equipment	-	3,878
Net cash used in investing activities	(89,455)	(47,037)
CASH FLOWS FROM FINANCING ACTIVITIES		
Leases acquired during the period	-	13,530
Repayments of lease obligations	(44,570)	(21,795)
Repayment of long term loans	(65,000)	(51,471)
Dividend paid	(16,860)	(28,932)
Short term finances utilized / (repaid) - net	203,838	359,630
Net cash used in financing activities	77,408	270,962
Net decrease in cash and cash equivalents	(49,835)	(80,672)
Cash and cash equivalents at the beginning of the period	22,148	62,379
Cash and cash equivalents at the end of the period	(27,687)	(18,293)

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The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.


Chief Financial Officer


Chief Executive Officer


Director

Notes to the Condensed Interim Financial Statements (Un-Audited)

For the nine-month period ended March 31, 2020

1. STATUS AND NATURE OF BUSINESS

Ecopack Limited ("the Company") is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017) 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

These condensed interim financial statements ("interim financial statements") have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in the interim financial statements do not include the information reported for full audited annual financial statements and should therefore be read in conjunction with the audited annual financial statements for the year ended June 30, 2019. Comparative statement of financial position is extracted from audited annual financial statements as of June 30, 2019 whereas comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are stated from un-audited condensed interim financial statements for the six-month period ended March 31, 2019.

These interim financial statements are un-audited and are being submitted to the members as required under Section 237 of the Companies Act, 2017 and the listing regulations of Pakistan Stock Exchange.

This is the first set of the Company's financial statements in which IFRS 16 has been applied. Changes to significant accounting policies are described in Note 4.

3. USE OF JUDGEMENTS AND ESTIMATES

In preparation of condensed interim financial statements in conformity with accounting and reporting standards as applicable in Pakistan, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except for the new significant judgements related to lessee accounting under IFRS 16, which are described in Note 4.1.

Measurement of fair values

The Company has an established controlled framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements including Level 3 values.

The management regularly reviews significant unobservable inputs, if relevant, and valuation adjustments. If third party information, such as broker codes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that their valuations meet the requirements of approved accounting standards as applicable in Pakistan, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into following levels of fair value hierarchy based on the inputs used in valuation techniques:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

4. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting and financial risk management policies and the methods of computation adopted in preparation of these interim financial statements are the same as those applied in preparation of audited annual financial statements for the year ended June 30, 2019 except for the changes as indicated below:

4.1 IFRS 16 Leases

The Company has initially adopted 'IFRS 16 Leases' from July 01, 2019. IFRS 16 introduced a single, on-balance sheet accounting model for lessees. Previously, the Company determined at contract inception whether an arrangement was or contained a lease under IFRIC 4 'Determining Whether an Arrangement contains a Lease'. The Company now assesses whether a contract is or contains a lease based on the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Company's leased assets comprise of leased machinery and vehicles, warehouses and office premises.

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at July 01, 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported, under IAS 17 and related interpretations. However, the change in accounting policy did not result in any impact on the retained earnings at July 01, 2019.

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as expense on a straight-line basis over the lease term.

The Company's leased machinery and vehicles were previously classified as finance leases under IAS 17. For these finance leases, the carrying amount of the right-of-use asset and the lease liability at July 01, 2019 were determined at the carrying amount of the leased asset and lease liability under IAS 17 immediately before that date.

4.2 The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2020:

- Amendment to IFRS 3 'Business Combinations' (effective January 01, 2020)
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (effective January 01, 2020)
- Revised Conceptual Framework for Financial Reporting (effective January 01, 2020)
- Amendments to IFRS 9 and IFRS 7 resulting from Interest Rate Benchmark Reform (effective January 01, 2020)

The above amendments are not likely to have an impact on the Company's financial statements.

	Note	March 31, 2020	Audited June 30, 2019
----- Rupees in '000' -----			
5. PROPERTY, PLANT AND EQUIPMENT			
Carrying amount as at beginning of period		1,409,907	1,346,684
Additions during the period:			
Factory building and roads		1,762	15,543
Plant and Machinery - owned		84,645	131,515
Factory equipment		10,982	30,656
Office equipment		3,719	1,578
Vehicle - owned		154	1,458
Vehicle - (Right of Use Asset)		-	18,523
		101,262	199,273
Written down value of assets disposed		-	(3,653)
Depreciation charge for the period		(100,730)	(132,397)
Operating assets		1,410,439	1,409,907
Capital machines' spares		23,365	16,965
Carrying amount as at end of period	5.1	1,433,804	1,426,872

5.1 Carrying amount as at March 31, 2020 includes Right of use Assets amounting to Rs. 380.05 million (June 2019: Rs. 400.79 million) relating to leased machinery and vehicles.

		Audited March 31, 2020	June 30, 2019
		----- Rupees in '000' -----	
6. STOCK IN TRADE			
Raw material		42,229	68,026
Packing material		10,581	15,975
Work in process		359,748	198,170
Finished goods		51,709	43,613
		<u>464,267</u>	<u>325,784</u>
Provision for obsolete stocks		(954)	(954)
		<u>463,313</u>	<u>324,830</u>
7. TRADE DEBTS			
Unsecured			
- Considered good		230,304	402,706
- Considered doubtful		7,658	7,060
		<u>237,962</u>	<u>409,766</u>
Allowance for impairment	7.1	(7,658)	(7,060)
		<u>230,304</u>	<u>402,706</u>
7.1 Allowance for impairment			
Balance at 1 July		7,060	14,841
Effect of impairment as per IFRS 9:			
Reversal of provision for impairment under IAS 39		-	(14,841)
Life time expected credit loss		-	4,595
Credit impaired trade debts		-	17,601
Impact on retained earnings on initial application of IFRS 9		-	7,355
Credit impaired trade debts written off		-	(17,601)
Adjusted opening balance		<u>7,060</u>	<u>4,595</u>
Net remeasurement of loss allowance		598	3,633
Credit impaired trade debts written off during the period/ year		-	(1,168)
Closing balance		<u>7,658</u>	<u>7,060</u>
8. SHARE CAPITAL			
Authorized capital			
50,000,000 (June 2019: 50,000,000) ordinary shares of Rs.10/- each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up share capital			
10,262,664 (June 2019: 10,262,664) ordinary shares of Rs. 10/- each issued against cash		102,627	102,627
27,886,283 (June 2019: 24,418,197) ordinary shares of Rs. 10/- each issued as bonus shares	8.1	<u>278,863</u>	<u>244,182</u>
		<u>381,490</u>	<u>346,809</u>

8.1 During the period ended March 31, 2020, the Company issued 3,468,086 bonus shares (June 30, 2019: 4,523,600 shares).

Audited
March 31, June 30,
2020 2019
----- Rupees in '000' -----

9. LEASE LIABILITIES

Balance at beginning of period	280,330	330,870
Leases obtained during the period / year	-	21,717
Payments made during the period / year	(44,570)	(72,257)
	235,760	280,330
Less: Current portion shown under current liabilities	(82,263)	(79,694)
	153,497	200,636

10. SHORT-TERM BORROWINGS - secured

Short-term running finance and other facilities are obtained under mark-up arrangements from various commercial banks carrying mark-up ranging from 12.59% to 15.41% (June 2019: 8.43% to 10.63%) per annum calculated on daily product basis.

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

11. CONTINGENCIES AND COMMITMENTS

11.1 A show cause notice is currently under adjudication before Khyber-Pakhtunkhwa Revenue Authority (KPRA) against alleged non deduction of withholding taxes amounting Rs. 18.9 million for various payments made during the period from September 2016 to June 2019.

11.2 Bank guarantees issued by two financial institutions of the Company amounting to Rs. 9.15 million (June 2019: Rs. 9.15 million). Moreover, inland letter of credits in respect of procurement of PET as at March 31, 2020 amounted to Rs. 24.1 million (June 2019: Nil).

12. SALES

Nine-months ended		Three-months ended	
March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
----- Rupees in '000' -----			
1,049,707	1,692,519	377,541	677,064
1,147,663	1,205,653	568,181	584,934
2,197,370	2,898,172	945,722	1,261,998
(152,896)	(243,164)	(54,960)	(98,311)
(166,918)	(175,087)	(82,685)	(84,931)
(319,813)	(418,251)	(137,644)	(183,242)
(1,576)	(1,376)	(79)	(410)
(828)	-	(293)	-
(322,217)	(419,627)	(137,937)	(183,652)
1,875,153	2,478,545	807,785	1,078,346

13. COST OF SALES

	Nine-months ended		Three-months ended	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
	----- Rupees in '000' -----			
Raw material consumed	1,359,144	1,901,374	686,109	864,401
Packing material consumed	69,860	80,071	36,408	40,853
Salaries, wages and other benefits	153,072	142,017	52,415	55,789
Electricity, gas and water	206,645	154,498	85,310	61,502
Depreciation	93,365	82,279	30,880	25,875
Stores consumed	44,873	42,476	32,068	30,112
Traveling and conveyance	7,714	14,034	2,230	4,597
Rent, rate and taxes	16,273	52,679	6,404	17,528
Repair and maintenance	7,233	6,673	2,406	2,134
Communication charges	1,873	1,840	720	692
Printing, postage and stationery	1,569	1,714	513	731
Entertainment	521	1,097	121	410
Medical expense	6,389	4,557	2,412	1,429
Safety and security	9,622	10,386	3,338	1,172
Fee, subscription and professional charges	2,343	2,034	646	619
Freight and logistics charges	5,227	7,935	2,206	3,744
Vehicle repair and maintenance	9,212	8,145	3,672	3,190
Technical testing and analysis	457	471	111	136
Staff welfare expenses	2,792	2,305	1,163	521
Miscellaneous	91	105	21	18
	1,998,275	2,516,689	949,153	1,115,452
Work-in-process - opening	198,170	132,514	151,365	166,643
Work-in-process - closing	(359,748)	(218,519)	(359,748)	(218,519)
	(161,578)	(86,005)	(208,383)	(51,876)
Cost of goods manufactured	1,836,697	2,430,684	740,770	1,063,576
Finished goods - opening	43,613	51,048	30,967	34,542
Finished goods - closing	(51,709)	(149,832)	(51,709)	(149,832)
	(8,096)	(98,784)	(20,742)	(115,290)
Carriage outward	22,589	25,247	6,848	9,935
Cost of sales	1,851,190	2,357,148	726,876	958,222

14. EARNINGS PER SHARE - basic and diluted

Loss after taxation (Rupees in '000')	(152,544)	(47,999)	(9,723)	34,517
		Restated		Restated
Weighted average number of shares (number)	38,148,947	38,148,947	38,148,947	38,148,947
Loss per share - basic and diluted (Rupees)	(4.00)	(1.26)	(0.25)	0.90

14.1 The number of shares for the prior period has also been adjusted for the effect of bonus shares issued during the current period.

14.2 There is no dilution effect on the basic earnings per share of the Company as the Company has no convertible dilutive potential ordinary shares outstanding on March 31, 2020, which would have effect on the basic EPS if the option to convert would have been exercised.

		March 31, 2020	March 31, 2019
		----- Rupees in '000' -----	
15. CASH AND CASH EQUIVALENTS	Note		
Cash and bank balances		10,295	16,063
Short term investments		-	22,500
Short term running finance		(37,982)	(56,856)
	20	(27,687)	(18,293)

16. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of associated undertakings, directors, key management personnel, entities over which the directors are able to exercise influence and employees' provident fund. Transactions and balances with related parties during the period, other than those disclosed elsewhere in these interim financial statements, are as follows:

	March 31, 2020	March 31, 2019
	----- Rupees in '000' -----	
Transactions during the period		
Contribution to staff provident fund	2,916	2,826
Remuneration to key management personnel	35,645	39,404
Bonus shares issued	34,681	45,236
Final dividend declared	17,340	28,932
Payable / Receivable as on date of statement of financial position with:		
Employees' provident fund trust	657	686
Payable to Chief Executive	827	1,420

17. SEASONALITY

The Company's major customers are manufacturers of cold beverages, sales of which decrease in winter season. This ultimately impacts Company's sales. Due to the seasonal nature of business of the Company, higher revenues and profitability are usually expected in first and last quarters of the year.

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

18.1 Classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

On-balance sheet financial instruments

	Carrying amount			Fair value			
	Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
	----- Rs. in '000 -----						
31 March 2020							
Financial assets measured at fair value							
Long-term deposits	-	12,516	12,516	-	-	12,516	12,516
Short-term deposits	-	3,031	3,031	-	-	3,031	3,031
Financial assets not measured at fair value							
Trade debts - net of impairment loss	230,304	-	230,304	-	-	-	-
Cash and bank balances	10,295	-	10,295	-	-	-	-
	240,599	15,547	256,146	-	-	15,547	15,547
Financial liabilities not measured at fair value							
Long-term loans (including current portion)	95,000	-	95,000	-	-	-	-
Lease liabilities (including current portion)	235,760	-	235,760	-	-	-	-
Trade creditors and bills payable	116,400	-	116,400	-	-	-	-
Accrued and other liabilities	50,048	-	50,048	-	-	-	-
Short-term borrowings	963,685	-	963,685	-	-	-	-
	1,460,893	-	1,460,893	-	-	-	-
30 June 2019							
Financial assets measured at fair value							
Long-term deposits	-	12,143	12,143	-	-	12,143	12,143
Short-term deposits	-	4,412	4,412	-	-	4,412	4,412
Financial assets not measured at fair value							
Trade debts - net of impairment loss	402,706	-	402,706	-	-	-	-
Cash and bank balances	35,513	-	35,513	-	-	-	-
	438,219	16,555	454,774	-	-	16,555	16,555
Financial liabilities not measured at fair value							
Long-term loans (including current portion)	137,000	-	137,000	-	-	-	-
Lease liabilities (including current portion)	280,330	-	280,330	-	-	-	-
Trade creditors and bills payable	132,214	-	132,214	-	-	-	-
Accrued and other liabilities	43,575	-	43,575	-	-	-	-
Short-term borrowings	737,682	-	737,682	-	-	-	-
	1,330,801	-	1,330,801	-	-	-	-

19. OPERATING SEGMENTS

(a) Description of operating segments

The Company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure. The Company has two operating segments which are also the reporting segments i.e., Injection and Blowing. Segment results and other information are provided on the basis of products.

(b) Segment Information

Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	INJECTION (PREFORMS)			BLOWING (BOTTLES)			TOTAL
	For the nine-months ended	For the three-months ended		For the nine-months ended	For the three-months ended		For the nine-months ended
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020
(Rupees in '000)							
Total Sales	1,569,673	2,287,688	613,299	1,007,553	981,186	1,029,190	2,550,859
Less: Intersegment sales (eliminated)	(675,706)	(838,333)	(292,065)	(428,800)	-	-	(675,706)
Sales-net	893,967	1,449,355	321,234	578,753	981,186	1,029,190	1,875,153
Total Cost of Sales	(989,171)	(1,379,592)	(385,864)	(517,015)	(1,537,725)	(1,815,888)	(2,526,896)
Less: Intersegment cost (eliminated)	-	-	-	-	675,706	838,333	675,706
Cost of sales-net	(989,171)	(1,379,592)	(385,864)	(517,015)	(862,019)	(977,555)	(1,851,190)
Gross profit / (loss)	(95,204)	69,763	(64,630)	61,738	119,167	51,635	23,963
Distribution expenses	(6,318)	(11,826)	1,242	(3,559)	(15,447)	(8,397)	(21,765)
Administrative expenses	(21,806)	(43,191)	6,307	(13,957)	(53,318)	(30,670)	(75,124)
Impairment loss on trade debts	-	-	-	-	(598)	-	(598)
Loss from operations	(28,123)	(55,017)	7,549	(17,516)	(69,364)	(39,067)	(97,487)
	(123,327)	14,746	(57,081)	44,222	49,803	12,568	(73,524)
Segment assets	1,291,342	1,389,558			521,338	548,181	1,812,680
Unallocated assets	-	-			-	-	640,633
	1,291,342	1,389,558			521,338	548,181	2,453,313
Segment liabilities	878,189	842,948			82,328	66,549	960,517
Unallocated liabilities	-	-			-	-	755,258
	878,189	842,948			82,328	66,549	1,715,775
Capital expenditure	48,735	121,100			37,961	41,335	86,696
Unallocated capital expenditure	-	-			-	-	14,566
	48,735	121,100			37,961	41,335	101,262

20. DATE OF APPROVAL

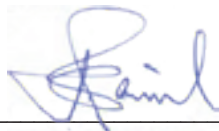
These condensed interim financial statements has been authorized for issue on April 23, 2020 by the Board of Directors of the Company.

21. GENERAL

Figures have been rounded off to the nearest thousand rupees.



Chief Financial Officer



Chief Executive Officer



Director

Manufacturers Of Quality PET Bottles and Preforms



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