

CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED
SEPTEMBER 30, 2021 (UN-AUDITED)

Manufacturers Of Quality PET Bottles and Preforms

Ec  **Pack Ltd**



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An abstract 3D composition featuring a large, translucent blue sphere in the upper left. A wavy, translucent blue ribbon-like shape flows from the sphere, curving downwards and to the right. At the bottom center, a small white sphere sits on a light blue cylindrical base. The background is a soft, out-of-focus blue and white gradient.

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

A low-angle shot of two business people shaking hands in front of a tall, modern glass skyscraper. The hands are clasped in the center of the frame, with the arms extending from the left and right edges. The person on the left is wearing a dark suit with four buttons visible on the sleeve. The person on the right is wearing a dark suit with a white shirt cuff visible. The background is a clear blue sky and the curved glass facade of the building, which reflects other buildings and the sky. A curved metal railing is visible in the lower-left foreground.

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. Rehan Jamil	Non-Executive Director
Mrs. Sonya Jamil	Non-Executive Director
Ms. Laila Jamil	Alternate Director of Mr. Rehan Jamil

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Amar Zafar Khan	Chairman
Mr. Hussain Jamil	Member
Mr. Ahsan Jamil	Member
Mr. Asad Ali Sheikh	Member
Mrs. Sonya Jamil	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. FGE 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 unaudited financial statements of the company for the quarter ended 30th September 2021:

OVERVIEW

The rapid change in macro-economic factors that emerged pursuant to the approval of the country's annual Budget for FY2022 have altered the business landscape significantly in the very first quarter of the current financial year. As the country's economic managers struggled to comply with the IMF's funding program and stringent conditionalities, we saw a sharp erosion in the value of the PKR versus the USD/hard currencies by almost 13 - 15% along with a rise in petroleum and electricity charges, and an increase in the hitherto stable SBP Discount rate (25BPS). This occurred concurrently in the wake of a sharp rise in crude oil & gas prices in the international markets witnessing a widespread commodity price spiral, exacerbated by a post vaccine recovery in demand worldwide. Sky high sea freight rates on account of a logistical nightmare caused huge volatility, created by a sudden imbalanced growth spike in international trade fomenting a shipping container shortage crisis, show very little signs of any significant reduction to sanguine pre-pandemic levels. As the country's trade mismatch widened and it's CAD increased substantially, thus putting greater pressure on the PKR, businesses continued to constantly face strong inflationary winds adversely impacting their cost base.

Despite being in the throes of a severe cost-push situation due to the above cited factors, your company has managed to successfully revert back to profitability for Q1FY22 due to timely actions in managing its Supply-Chain and Sales, thereby partially mitigating some of the woes of high costs and their negative fallout. Increased sales and production QoQ, have also helped in comparatively efficient absorption of fixed cost as part of the overall effort in countering this irrepressible and persistent inflation.

SALES & FINANCIAL HIGHLIGHTS

Sales revenue increased from Rs. 642.14 million to Rs. 1.04 billion as compared to the corresponding quarter last year i.e. a significant increase of 62%. This sales growth was achieved by virtue of an increase in Bottles sales by 54% in unit terms, while Preforms sales increased by 9% in unit terms. The price of basic raw material (PET resin) increased by approximately 51% against the same period last year, which is one of the main contributors to the increase in topline revenue. A huge increase in Gross profit has been achieved from Rs. 30.76 million to Rs. 84.04 million as compared to the same period last year, i.e. an increase of Rs. 53.28 million reflecting 173% growth at gross margin level. By virtue of the same reasons, Operating profit of Rs. 50.50 million has been earned against a scant operating profit of Rs. 4.79 million for the corresponding quarter last year. On account of comparatively higher sales volumes of Bottles & Preforms and pro-active management actions in supply-chain management, your company achieved a significant turnaround in Operating profit by Rs. 45.71 million.

Financial charges slightly increased by 4% i.e. from Rs. 21.32 million to Rs. 22.17 million mainly due to the utilization of additional working capital because of comparatively higher PET resin prices and increased production volumes. Your management is continually striving for the reduction of financial costs by negotiating better pricing terms with the banks & DFIs together with a more efficient business cycle.

Pre-tax profit is recorded at Rs. 28.33 million against a pre-tax loss of Rs. 16.53 million as compared to same quarter last year - an improvement of Rs. 44.86 million. However, Post-tax profit comes to Rs. 25.38 million against a post-tax loss of Rs. 11.40 million against corresponding quarter last year. Thus, your Company has recorded an improvement in the bottom line by 323% i.e., by Rs. 36.78 million.

Earnings per share (basic and diluted) for the first quarter of FY 2022 come to Re. 0.67 per share against loss per share of Re. 0.30 in the same period last year.

FUTURE OUTLOOK

The first quarter of the financial year is a good harbinger of a strong sales growth in all product segments of the company going forward. As Covid infection cases decrease across the country and peoples confidence improves, with educational institutions, markets, intercity travel and general social and commercial activity resumes towards normalcy, your management's confidence in achieving a robust financial performance this year is substantially enhanced.

The bottled water and soft-drink customers are witnessing strong growth in their sales YoY which is a very positive sign as they are driven by recouping lost sales and volumes of the past pandemic affected year. Some enhancements in capacity of beverage companies is a testament to the growth anticipated in the remaining quarters of the rest of the financial year.

RISKS

Inflationary pressures remain the most potent risk going forward mainly due to a weak PKR and high import dependence leading to consequent negative trade flows. Massive increases in imported Crude oil and Edible oil prices over the last 6 months or so pose a critical threat to the purchasing power of the common consumer, who forms the base of bulk consumption in the country. The strict conditionalities of the IMF program pose several questions for the direction of our macro-economic recovery.

Management-employee relations remain on a sound footing as a well-entrenched culture of openness, fairness and mutual respect abides in the company at all levels.

For & On Behalf of the Board of Directors



Asad Ali Sheikh
Director



Hussain Jamil
Chief Executive Officer

Note : Annexure "A" is hereby enclosed for the disclosure of other information

"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. Amar Zafar Khan (2) Mr. Asad Ali Sheikh
 - b) **Non-executive Directors**
 - (1) Mr. Ahsan Jamil (2) Mr. Ali Jamil (3) Mr. Rehan Jamil
 - c) **Executive Directors**
 - (1) Mr. Hussain Jamil
 - d) **Female Director**
 - (1) Mrs. Sonya Jamil (Non-executive Director)

*Ms. Laila Jamil was appointed as an alternate director of Mr. Rehan Jamil in the 121st BOD meeting.

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. 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. Asad Ali Sheikh - Member
 - (5) Mrs. Sonya Jamil - 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


ASAD ALI SHEIKH

Director


HUSSAIN JAMIL

CHIEF EXECUTIVE OFFICER

Date: October 28, 2021

ڈائریکٹرز رپورٹ

ایکویک لیمنڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2021 کو ختم ہونے والی مالی سال کی پہلی سہ ماہی کے غیر آڈٹ شدہ گوشوارے مسرت سے پیش کیے جا رہے ہیں:

جائزہ:

مالی سال 2022 کے لئے ملک کے سالانہ بجٹ کی منظوری کے بعد سامنے آنے والے میکرو اکنامک عوامل میں تیزی سے تبدیلی نے موجودہ مالی سال کی پہلی سہ ماہی میں کاروباری منظر نامے کو نمایاں طور پر تبدیل کر دیا ہے۔ جب ملک کے اقتصادی مستقبل IMF کے فنڈنگ پروگرام اور سخت شرائط پر عمل کرنے کے لئے جدوجہد کر رہے تھے تو ہم نے پیٹرولیم اور بجلی کے چارجز میں اضافے کے ساتھ ساتھ PKR بمقابلہ USD / سخت کرنسیوں کی قدر میں تقریباً 13 سے 15 فیصد تک تیزی سے کمی دیکھی اور اب تک مستحکم اسٹیٹ بینک رعایتی نرخ (BPS 25) میں اضافہ دیکھا۔ یہ بین الاقوامی منڈیوں میں خام تیل اور گیس کی قیمتوں میں تیزی سے اضافے کے تناظر میں ایک ساتھ ہوا جس میں اجناس کی قیمتوں میں بڑے پیمانے پر اضافہ دیکھنے میں آیا، جو دنیا بھر میں طلب میں ویکسین کے بعد بحالی کی وجہ سے مزید بڑھ گیا۔

لاجسٹک ڈرائیو نے خواب کی وجہ سے آسمان کو چھوتے سمندری کرایوں نے بڑے پیمانے پر اتار چڑھاؤ پیدا کیا، جو بین الاقوامی تجارت میں اچانک غیر متوازن نمو کی وجہ سے پیدا ہوا ہے جس سے شپنگ کنٹینرز کی قلت کے بحران کو ہوا ملی ہے، جو وبا سے پہلے کی صورتحال میں کسی بھی اہم کی کے بہت کم آثار کو ظاہر کرتا ہے۔ جیسے جیسے ملک کی تجارتی عدم مطابقت بڑھتی گئی اور اس کے CAD میں خاطر خواہ اضافہ ہوا، اس طرح PKR پر زیادہ دباؤ پڑا، کاروباری اداروں کو مسلسل تیز افراط زر کی ہواؤں کا سامنا کرنا پڑا جس سے ان کی لاگت کی بنیاد پر برا اثر پڑا۔

مندرجہ بالا عوامل کی وجہ سے لاگت میں شدید اضافے کی صورتحال سے دوچار ہونے کے باوجود، آپ کی کمپنی اپنی سپلائی چین اور فروخت کے انتظام میں بروقت اقدامات کی وجہ سے Q1FY22 کے لئے منافع کی طرف کامیابی سے واپس آنے میں کامیاب رہی ہے، جس سے زیادہ لاگت اور ان کے منفی نتائج کی کچھ پریشانیوں کو جزوی طور پر کم کیا جاسکتا ہے۔ فروخت اور پیداوار میں اضافے QoQ نے بھی اس ناقابل برداشت اور مستقل افراط زر کا مقابلہ کرنے کی مجموعی کوشش کے طور پر مقررہ لاگت کو نسبتاً موثر طور پر جذب کرنے میں مدد کی ہے۔

فروخت اور مالیات کے اہم نقاط:

فروخت کی آمدن گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 642.14 ملین روپے سے بڑھ کر 1.04 ملین روپے تک پہنچ گیا یعنی 62 فیصد کا نمایاں اضافہ ہوا۔ فروخت میں یہ اضافہ یونٹ کے لحاظ سے بوتلوں کی فروخت میں 54 فیصد اضافے کی وجہ سے حاصل کی گئی جبکہ Preforms کی فروخت میں یونٹ کے لحاظ سے 9 فیصد اضافہ ہوا۔ بنیادی خام مال (PET Resin) کی قیمت میں گزشتہ سال کی اسی مدت کے مقابلے میں تقریباً 51 فیصد اضافہ ہوا جو ٹاپ لائن آمدنی میں اضافے میں اہم کردار ادا کرنے والوں میں سے ایک ہے۔

مجموعی منافع میں گزشتہ سال کی اسی مدت کے مقابلے میں 30.76 ملین روپے سے 84.04 ملین روپے تک کا زبردست اضافہ حاصل کیا گیا ہے یعنی 53.28 ملین روپے کا اضافہ جو مجموعی مارجن کی سطح پر 173 فیصد اضافے کی عکاسی کرتا ہے۔ انہی وجوہات کی بنا پر گزشتہ سال کی اسی سہ ماہی کے دوران 4.79 ملین روپے کے قلیل آپریٹنگ منافع کے مقابلے میں 50.50 ملین روپے کا آپریٹنگ منافع کمایا گیا ہے۔ بوتلوں اور Preforms کی نسبتاً زیادہ فروخت اور سپلائی چین مینجمنٹ میں فعال انتظامی اقدامات کی وجہ سے، آپ کی کمپنی نے آپریٹنگ منافع میں 45.71 ملین روپے کا نمایاں اضافہ حاصل کیا۔

مالی چارجز میں 4 فیصد یعنی 21.32 ملین روپے سے 22.17 ملین روپے کا معمولی اضافہ ہوا جس کی بنیادی وجہ PET Resin کی قیمتوں میں نسبتاً زیادہ اور پیداواری حجم میں اضافے کی وجہ سے اضافی ورکنگ سرمایہ کا استعمال ہے۔ آپ کی انتظامیہ بینکوں اور DFIs کے ساتھ مل کر زیادہ موثر کاروباری ترتیب کے ساتھ قیمتوں کی بہتر شرائط پر بات چیت کر کے مالی لاگت میں کمی کے لئے مسلسل کوشش کر رہی ہے۔

گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 16.53 ملین روپے کے قبل از ٹیکس نقصان کے مقابلے میں قبل از ٹیکس منافع 28.33 ملین روپے ریکارڈ کیا گیا ہے جو کہ 44.86 ملین روپے کی بہتری ہے۔ تاہم ٹیکس کے بعد کا منافع گزشتہ سال کی اسی سہ ماہی کے مقابلے میں 11.40 ملین روپے کے بعد کے نقصان کے مقابلے میں 25.38 ملین روپے آتا ہے۔ اس طرح آپ کی کمپنی نے چلنی سطح میں 323 فیصد یعنی 36.78 ملین روپے کی بہتری ریکارڈ کی ہے۔

مالی سال 2022 کی پہلی سہ ماہی کے لئے فی حصص (Basic & Diluted) آمدنی 0.67 ڈالر فی حصص ہے جو گزشتہ سال کی اسی مدت میں 0.30 روپے فی حصص نقصان ہوا تھا۔

مستقبل کے امکانات:

مالی سال کی پہلی سہ ماہی کمپنی کی تمام مصنوعات کی فروخت میں مضبوط نمو کی ایک اچھی علامت ہے۔ جیسے جیسے ملک بھر میں کوویڈ انفیکشن کے واقعات میں کمی آئی ہے اور لوگوں کا اعتماد بہتر ہوا ہے، تعلیمی ادارے، مارکیٹیں، انٹر سٹی سفر اور عام سماجی اور تجارتی سرگرمیاں دوبارہ معمول کی طرف آنے کے بعد، اس سال مضبوط مالی کارکردگی کے حصول میں آپ کی انتظامیہ کا اعتماد کافی حد تک بڑھ چکا ہے۔

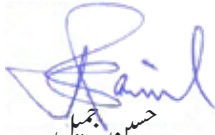
بوٹل بند پانی اور سافٹ ڈرنک صارفین اپنی فروخت YoY میں زبردست اضافہ دیکھ رہے ہیں جو ایک بہت ہی مثبت علامت ہے کیونکہ وہ پچھلے وبائی متاثرہ سال کی کھوئی ہوئی فروخت اور حجم کو دوبارہ حاصل کر رہے ہیں۔ مشروبات بنانے والی کمپنیوں کی صلاحیت میں کچھ اضافہ مالی سال کی باقی سہ ماہیوں میں متوقع نمو کا ثبوت ہے۔


خطرات:

افراط زر کا دباؤ سب سے بڑا خطرہ ہے جس کی بنیادی وجہ کمزور پاکستانی روپیہ اور درآمدات پر زیادہ انحصار ہے جس کے نتیجے میں منفی تجارتی بہاؤ ہو رہا ہے۔ گزشتہ 6 ماہ کے دوران درآمد شدہ خام تیل اور خوردنی تیل کی قیمتوں میں بڑے پیمانے پر اضافہ عام صارفین کی قوت خرید کے لئے ایک اہم خطرہ ہے جو ملک میں بڑی کھپت کی بنیاد ہیں۔ IMF پروگرام کی سخت شرائط ہماری میکرو اکنامک بحالی کی سمت کے لئے کئی سوالات کھڑے کرتی ہیں۔

انتظامیہ اور ملازمین کے تعلقات مضبوط بنیادوں پر قائم ہیں کیونکہ کمپنی میں ہر سطح پر کھلے پن، انصاف اور باہمی احترام کی اچھی ثقافت موجود ہے۔

برائے اور منجانب بورڈ آف ڈائریکٹرز


حسین جمیل
چیف ایگزیکٹو آفیسر


اسد علی شیخ
ڈائریکٹر

نوٹ: ضمیمہ ”الف“ دیگر معلومات کی فراہمی کے لیے منسلک ہے۔

ڈائریکٹرز کی رپورٹ کے مطابق ”ضمیمہ الف“

1. ڈائریکٹرز کی کل تعداد سات درج ذیل ہے:

a.	مرد:	06
b.	خواتین:	01

2. بورڈ کی تشکیل درج ذیل ہے:

(a)	آزاد ڈائریکٹرز	(۱) جناب عامر ظفر خان	(۲) جناب اسد علی شیخ
(b)	نان ایگزیکٹو ڈائریکٹرز	(۱) جناب احسن جمیل	(۲) جناب علی جمیل
(c)	ایگزیکٹو ڈائریکٹرز	(۱) جناب حسین جمیل	
(d)	خاتون ڈائریکٹر	(۱) مسز سونیا جمیل (نان ایگزیکٹو ڈائریکٹر)	


* محترمہ لیلیٰ جمیل کو 121^{واں} BOD اجلاس میں جناب ریحان جمیل کی متبادل ڈائریکٹر مقرر کیا گیا تھا۔

3. بورڈ نے ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں جیسا کہ ذیل میں دیا گیا ہے:

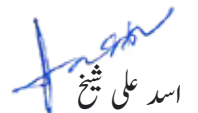
(a)	آڈٹ کمیٹی	(1) جناب اسد علی شیخ	چیئر مین
		(2) جناب عامر ظفر خان	رکن
		(3) جناب احسن جمیل	رکن
		(4) جناب علی جمیل	رکن
(b)	انسانی وسائل اور معاوضہ (ایچ آر آر) کمیٹی	(1) جناب عامر ظفر خان	چیئر مین
		(2) جناب حسین جمیل	رکن
		(3) جناب احسن جمیل	رکن
		(4) جناب اسد علی شیخ	رکن
		(5) مسز سونیا جمیل	رکن

4. بورڈ نے ڈائریکٹرز کے لیے معاوضے کی پالیسی منظور کی ہے جس کے نمایاں پہلو مندرجہ ذیل ہیں:

- بورڈ آف ڈائریکٹرز (BOD) وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے اراکین کے لیے بورڈ اجلاسوں میں شرکت کے عوض معاوضے کا تعین اور منظوری دے گا۔ ایسا معاوضہ ذمہ داری کی سطح اور BOD اراکین کی پیش کردہ مہارت کے ہم پلہ ہو گا اور اس کا مقصد ایسے اراکین کو اپنی طرف کشش دلانا اور اپنے ساتھ رکھنا جنکی کمپنی کو کامیابی سے چلانے اور قدری قیمت پیدا کرنے کے لیے ضرورت ہے۔
- BOD کا کوئی رکن انفرادی طور پر اپنے معاوضے کا تعین نہیں کرے گا۔


حسین جمیل
چیف ایگزیکٹو آفیسر

برائے اور منجانب بورڈ آف ڈائریکٹرز


اسد علی شیخ
ڈائریکٹر

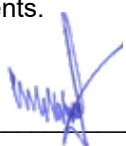
تاریخ: 28 اکتوبر، 2021

Condensed Interim Statement of Financial Position

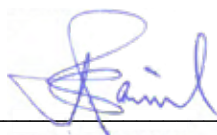
As at September 30, 2021

		Un-Audited September 30, 2021	Audited June 30, 2021
	Notes	----- Rupees in '000 -----	
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	1,309,765	1,336,883
Intangibles		5,088	5,291
Long term deposits		12,209	12,209
		1,327,062	1,354,383
Current Assets			
Inventories	6	400,362	442,389
Trade debts		306,351	228,181
Loans and advances		66,570	39,521
Deposits, prepayments and other receivables		12,023	4,722
Advance tax - net		48,840	36,767
Short term investments		7,125	7,125
Cash and bank balances		15,979	28,697
		857,250	787,402
Total assets		2,184,312	2,141,785
SHARE CAPITAL AND RESERVES			
Share capital	7.2	381,489	381,489
Revaluation surplus on operating fixed assets		116,085	121,233
Unappropriated profits		377,875	347,347
		875,449	850,069
LIABILITIES			
Non-Current Liabilities			
Long term loans	8	125,527	139,511
Deferred grant		1,260	2,152
Lease liabilities	9	88,146	107,703
Employee benefits		35,341	33,979
Deferred tax liabilities - net		12,041	22,145
		262,315	305,490
Current Liabilities			
Trade and other payables		237,903	212,608
Unclaimed dividend		2,761	2,761
Short term borrowings		643,261	595,040
Current portion of non-current liabilities		162,623	175,817
		1,046,548	986,226
Total equity and liabilities		2,184,312	2,141,785
CONTINGENCIES AND COMMITMENTS	10		

The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Profit or Loss

For the First Quarter Ended September 30, 2021 (Un-audited)

			<i>Reclassified</i>
		September 30, 2021	September 30, 2020
	<i>Notes</i>	----- Rupees in '000 -----	
Sales - net	11	1,039,629	642,145
Cost of sales	12	(955,584)	(611,388)
Gross profit		84,045	30,757
Other income		1,474	1,804
Selling expenses		(6,426)	(6,540)
Administrative expenses		(28,537)	(21,092)
Other expenses		(54)	(136)
		(33,543)	(25,964)
Operating profit		50,502	4,793
Finance costs		(22,173)	(21,324)
Profit / (loss) before taxation		28,329	(16,531)
Income tax (charge) / credit		(2,949)	5,127
Profit / (loss) for the period		25,380	(11,404)
Earnings / (loss) per share-basic and diluted - Rupees		0.67	(0.30)

The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer




Director

Condensed Interim Statement of Comprehensive Income

For the First Quarter Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020
Notes	----- Rupees in '000 -----	
Profit / (loss) for the period	25,380	(11,404)
Other Comprehensive Income:		
-Items that will not be reclassified to profit or (loss)	-	-
-Items that may be reclassified subsequently to profit or (loss)	-	-
Total comprehensive income / (loss) for the period	25,380	(11,404)

The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



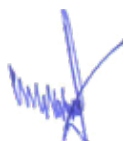
Director

Condensed Interim Statement of Changes in Equity


For the First Quarter Ended September 30, 2021 (Un-audited)

	Share Capital	Revaluation surplus on operating Fixed Assets	Revenue Reserve- Unappropriated profits	Total Equity
----- (Rupees in '000) -----				
Balance as at 01 July 2020	381,489	138,582	284,558	804,629
Total comprehensive income for the period				
Loss for the period	-	-	(11,404)	(11,404)
Other comprehensive income for the period	-	-	-	-
	-	-	(11,404)	(11,404)
Transfer of incremental depreciation net of deferred tax	-	(4,112)	4,112	-
Balance as at 30 September 2020	381,489	134,470	277,266	793,225
Balance as at 01 July 2021	381,489	121,233	347,347	850,069
Total comprehensive income for the period				
Profit for the period	-	-	25,380	25,380
Other comprehensive income for the period	-	-	-	-
	-	-	25,380	25,380
Transfer of incremental depreciation net of deferred tax	-	(5,148)	5,148	-
Balance as at 30 September 2021	381,489	116,085	377,875	875,449


The annexed notes 1 to 18 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

Condensed Interim Statement of Cash Flows

For the First Quarter Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----	
<i>Notes</i>		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	28,329	(16,531)
Adjustments for:		
Depreciation and amortization	34,481	31,421
(Gain) / loss on disposal of operating fixed assets	(84)	30
Charge for staff retirement benefit - gratuity	1,363	4,593
Finance costs	22,173	21,324
	86,262	40,837
Changes in:		
Inventories	42,027	18,905
Trade debts	(78,170)	62,259
Loans and advances	(27,049)	1,388
Deposits, prepayments and other receivables	(7,301)	(2,229)
Trade and other payables	25,295	(111,666)
	(45,198)	(31,343)
Cash generated from operating activities	41,064	9,494
Finance cost paid - short-term borrowings	(17,970)	(16,312)
Contributions to gratuity fund	-	(10,400)
Income taxes paid	(25,125)	(362)
Net cash used in operating activities	(2,031)	(17,580)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(7,987)	(3,289)
Proceeds from disposal of operating fixed assets	909	503
Net cash used in investing activities	(7,078)	(2,786)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of lease liabilities	(28,910)	(2,229)
Proceeds from short-term borrowings	607,377	549,467
Repayment of short term borrowings	(573,014)	(538,471)
Proceeds from long-term loans	-	55,277
Repayment of long-term loans	(18,715)	(654)
Finance cost paid on long-term loans and lease liabilities	(3,120)	(5,878)
Net cash (used in) / generated from financing activities	(16,382)	57,512
Net (decrease) / increase in cash and cash equivalents	(25,492)	37,146
Cash and cash equivalents at beginning of the period	28,697	(20,093)
Cash and cash equivalents at end of the period	3,205	17,053

The annexed notes 1 to 18 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

Notes to and Forming Part of the Condensed Interim Financial Information

For the First Quarter Ended September 30, 2021 (Un-audited)

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

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, 2021. Comparative statement of financial position is extracted from audited annual financial statements as of June 30, 2021, 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 three-month period ended September 30, 2020.

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.

3. SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The accounting policies, significant judgments made in the application of accounting policies, key sources of estimations, the methods of computation adopted in preparation of these interim financial statements and financial risk management policy are the same as those applied in preparation of audited annual financial statements for the year ended June 30, 2021.

4. ESTIMATES AND JUDGEMENT

The preparation of Condensed interim 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.

Notes to the Financial Statements

For the First Quarter Ended September 30, 2021 (Un-audited)

	Note	Un-Audited September 30, 2021	Audited June 30, 2021
		----- Rupees in '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Carrying amount as at beginning of period		1,312,121	1,385,013
Plant and Machinery - owned		6,861	59,314
Factory equipment		-	21,414
Office equipment		112	3,724
Vehicle - owned		143	156
Vehicle - right of use		-	3,098
Additions during the period		7,116	87,706
Written down value of assets disposed		(825)	(31,919)
Depreciation charge for the period		(34,278)	(128,679)
Operating assets		1,284,135	1,312,121
Capital work in progress		634	440
Capital machines > spares - net		24,996	24,323
Carrying amount as at end of period		1,309,765	1,336,884
6. INVENTORIES			
Stores, spares and loose tools		67,487	67,607
Raw materials		119,775	106,102
Packing materials		16,049	23,471
Work in process		139,417	203,474
Finished goods		59,825	43,929
		402,554	444,583
Allowance for obsolete stocks		(2,192)	(2,194)
		400,362	442,389
7. SHARE CAPITAL			
7.1 Authorized share capital			
This represents 50,000,000 (2020: 50,000,000) ordinary shares of Rs. 10 each.			
7.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
Un-Audited September 30, 2021	Audited June 30, 2021	Un-Audited September 30, 2021	Audited June 30, 2021
----- Rupees in '000 -----		----- Rupees in '000 -----	
		Note	
10,262,664	10,262,664	Ordinary shares of Rs. 10/- each issued against cash	102,627
27,886,283	27,886,283	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares	278,862
38,148,947	38,148,947		381,489

	Un-Audited	
	September 30, 2021	June 30, 2021
	----- Rupees in '000 -----	
8. LONG TERM LOANS		
Loans from banking companies - secured		
Askari Bank Limited	38,088	44,093
Bank Al-Habib Limited - I	64,000	68,000
Bank Al-Habib Limited - II	34,084	34,220
JS Bank Limited	32,918	39,206
PAIR Investment Company Limited	31,162	32,555
	200,252	218,074
Less: current portion of long term loans	(74,725)	(78,563)
	125,527	139,511
9. LEASE LIABILITIES		
Balance at 1 July	197,417	235,880
Leases obtained during the period	-	2,758
Payments made during the period	(28,910)	(41,221)
	168,507	197,417
Less: Current portion shown under current liabilities	(80,361)	(89,714)
	88,146	107,703
10. CONTINGENCIES AND COMMITMENTS		
10.1	On 20 May 2020, 'Deputy Commissioner Inland Revenue, Audit-I, Zone-I, Haripur, ("CIR") passed an order against the Company regarding inadmissibility of sales tax input amounting to Rs. 35.9 million relating to tax year 2017. On 14 December 2020 Commissioner Appeals upheld the order of CIR. The Company has filed an appeal against the decision of CIRA before Appellate Tribunal and has not recognized any provision in this respect in these financial statements as in view of its Legal Advisor, the said case is likely to be decided in the Company's favour because of previous prosecution in Company's favour.	
10.2	On 17 June 2020, 'Additional Collector (Withholding) Khyber-Pakhtunkhwa Regulatory Authority (KPRA)' passed an order against the Company regarding alleged non withholding of sales tax amounting to Rs. 18.9 million. Against Company's appeals, Collector (Appeals), KPRA' and 'Appellate Tribunal for Sales Tax on Services, KPK' upheld the order of Additional Collector. The Company has filed a reference before Peshawar High Court against the Order of 'Appellate Tribunal'. The Company has not recognized provision in this respect to the extent of Rs. 9.6 million in these financial statements as in view of its Legal Advisor there are reasonable chances of favourable outcome.	
10.3	Bank guarantees issued by two financial institutions of the Company amounting Rs. 63.23 million (June 2021: 63.23 million) in favor of the Company's fuel and electricity suppliers.	

Notes to the Financial Statements

For the First Quarter Ended September 30, 2021 (Un-audited)

11. SALES - NET

Sales

- PET Preforms
- PET Bottles

Less: Sales tax

- PET Preforms
- PET Bottles

- Sales returns and discounts

12. COST OF SALES

- Raw material consumed
- Packing material consumed
- Stores, spares and loose tools consumed
- Salaries, wages and other benefits
- Electricity, gas and water
- Travelling and conveyance
- Vehicle running and maintenance
- Rent, rate and taxes
- Repair and maintenance
- Safety and security
- Medical
- Material movement charges
- Communication charges
- Printing, postage and stationery
- Technical testing and analysis
- Fees, subscription and professional charges
- Entertainment
- Staff welfare & support
- Depreciation
- Other directly attributable cost

Work-in-process - opening

Work-in-process - closing

Cost of goods manufactured

Finished goods - opening

Finished goods - closing

Costs to fulfill a contract

First quarter ended	
September 30, 2021	September 30, 2020
Un-audited	Un-audited
----- Rupees in '000 -----	
718,738	465,812
500,092	286,203
1,218,830	752,015
(104,472)	(64,890)
(72,592)	(44,566)
(177,064)	(109,456)
(2,137)	(414)
1,039,629	642,145
659,477	418,417
32,213	22,657
7,541	5,548
58,717	46,397
87,372	69,824
1,933	2,166
3,053	2,524
4,609	3,774
2,029	2,117
2,692	2,832
1,763	1,772
2,408	953
820	439
632	348
212	179
108	5
204	104
1,203	781
29,703	28,973
42	12
896,731	609,822
203,474	99,846
(139,417)	(118,888)
64,057	(19,042)
960,788	590,780
43,929	48,077
(59,825)	(36,519)
(15,896)	11,558
10,692	9,050
955,584	611,388

13. EARNINGS PER SHARE - BASIC AND DILUTED

13.1 Basic

	First quarter ended	
	September 30, 2021	September 30, 2020
	Un-audited	Un-audited
	----- Rupees in '000 -----	
Profit / (loss) after taxation (Rupees in '000')	25,380	(11,404)
Weighted average number of ordinary shares	38,148,947	38,148,947
Earnings / (loss) per share - basic (Rupees)	0.67	(0.30)

13.2 Diluted

There is no dilution effect on the basic earnings per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on 30 September 2021, which would have effect on the basic EPS, if the option to convert would have been exercised.

14. CASH AND CASH EQUIVALENTS

	September 30, 2021	September 30, 2020
	----- Rupees in '000 -----	
Cash and bank balances	15,979	17,053
Short-term running finance	(12,774)	-
	3,205	17,053

Notes to the Financial Statements

For the First Quarter Ended September 30, 2021 (Un-audited)

15. SEGMENT REPORTING

15.1 Description of operating segments

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.

15.2 Information about reportable segments

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		Blowing		Total	
	Jul - Sep 2021	Jul - Sep 2020	Jul - Sep 2021	Jul - Sep 2020	Jul - Sep 2021	Jul - Sep 2020
	----- Rupees in '000 -----					
Total Sales	955,571	562,660	426,755	241,223	1,382,326	803,883
Less: Intersegment sales (eliminated)	(342,697)	(161,738)	-	-	(342,697)	(161,738)
Sales-net	612,874	400,922	426,755	241,223	1,039,629	642,145
Total Cost of Sales	(571,417)	(365,650)	(726,864)	(407,476)	(1,298,281)	(773,126)
Less: Intersegment cost (eliminated)	-	-	342,697	161,738	342,697	161,738
Cost of sales-net	(571,417)	(365,650)	(384,167)	(245,738)	(955,584)	(611,388)
	41,457	35,272	42,588	(4,515)	84,045	30,757
Selling expenses	(3,788)	(4,083)	(2,638)	(2,457)	(6,426)	(6,540)
Administrative expenses	(16,823)	(13,169)	(11,714)	(7,923)	(28,537)	(21,092)
	(20,611)	(17,252)	(14,352)	(10,380)	(34,963)	(27,632)
Operating profit	20,846	18,020	28,236	(14,895)	49,082	3,125

16. COMPARATIVE FIGURES

Previously abnormal loss was presented in "other expenses" line item of statement of profit or loss. This has now been reclassified to "cost of sale" for better presentation.

	September 30, 2020		
	As previously reported	Effect of reclassification	Balance after reclassification
	----- Rs. In '000 -----		
Statement of Profit or Loss			
Cost of sales	606,505	4,883	611,388
Other expenses	5,019	(4,883)	136

17. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements has been authorized for issue on _____ by the Board of Directors of the Company.

18. 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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