ANNUAL REPORT 2021

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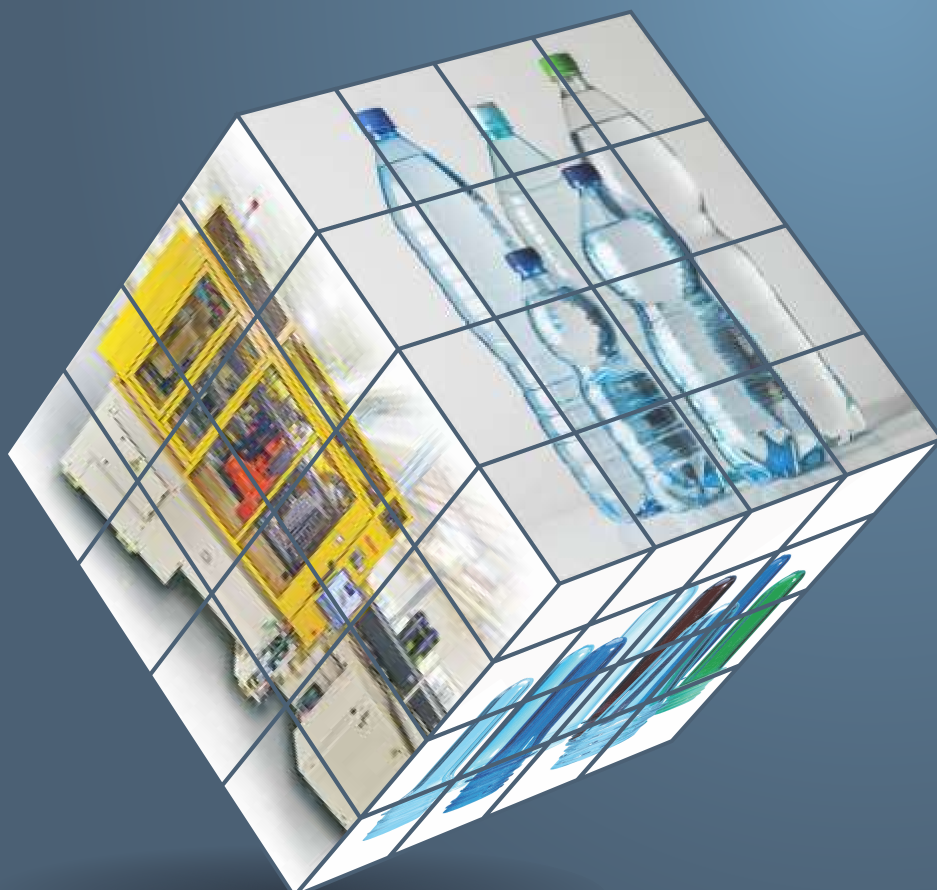


Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

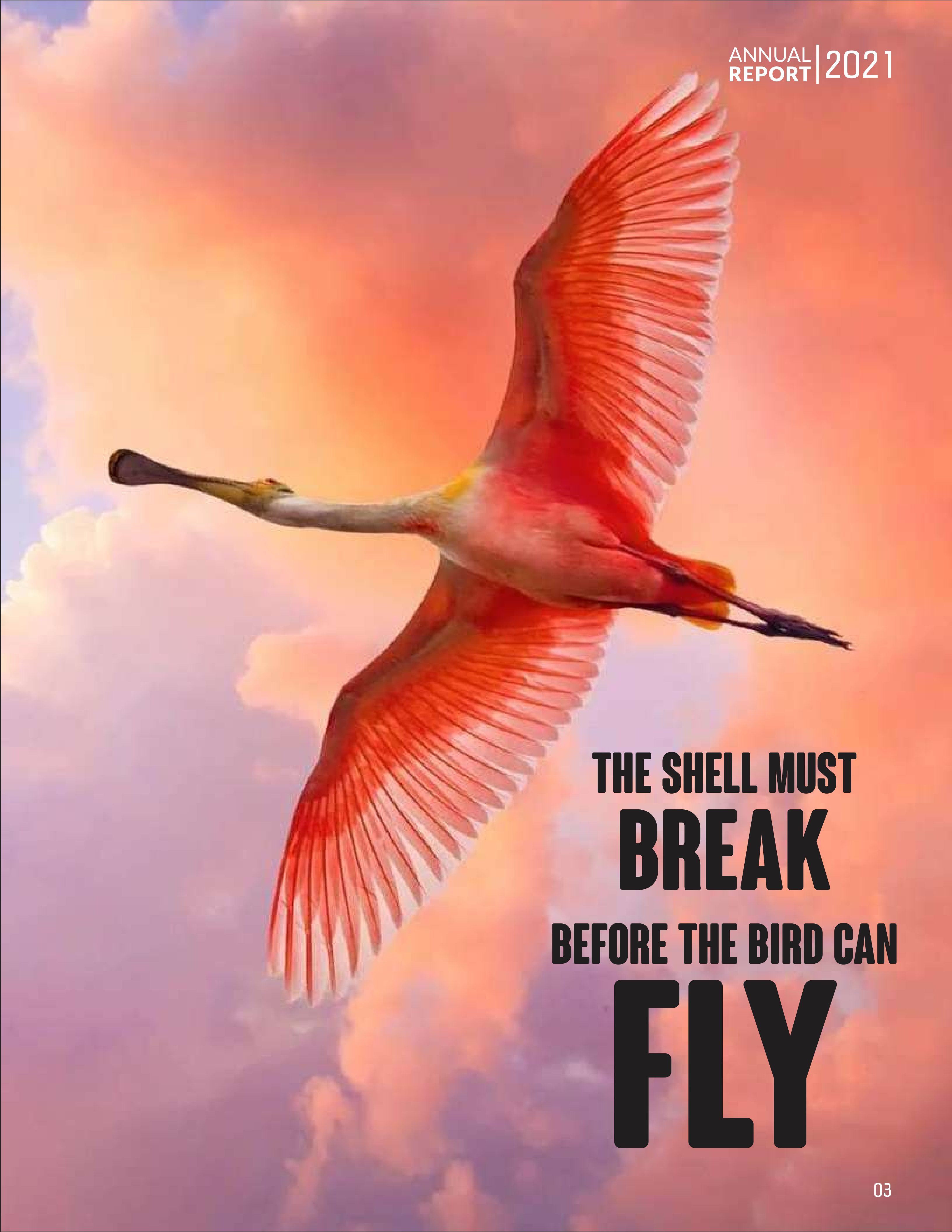
CONTENTS

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.


THE SHELL MUST
BREAK
BEFORE THE BIRD CAN
FLY

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

CHIEF OPERATING OFFICER

Mr. Mohammad Raza Chinoy

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

EXTERNAL AUDITORS

KPMG Taseer Hadi & Co — Chartered Accountants

INTERNAL AUDITORS (OUT SOURCED)

BDO Ebrahim & Co — Chartered Accountants

SHARE REGISTRAR

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

LEGAL ADVISOR

M/s. FGE Ebrahim Hosain — Advocate & Corporate Counsel

REGISTERED OFFICE AND FACTORY

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

OUR TEAM

Hussain Jamil
Chief Executive Officer*

Mohammad Raza Chinoy
Chief Operating Officer*

Shahan Ali Jamil
Chief Information Officer

Zamir ul Hasan
Director Commercial & Technical

Muhammed Ali Adil
Chief Financial Officer

Shahwaqar Ahmed
DGM HR, Supply Chain & Admin

*Mr. Raza Chinoy was appointed as CEO on June 16, 2021, following the resignation of Mr. Hussain Jamil. Mr. Hussain Jamil was reappointed as CEO of the company on July 1, 2021.

DIRECTORS' PROFILE

AMAR ZAFAR KHAN

Chairman of the Board

Amar Zafar Khan is a qualified Chartered Accountant, with over 30 years of multi-functional experience at premier international banks. His experience covers general management, directing turnarounds and developing new ventures/businesses in commercial banking, investment banking, domestic and cross-border corporate finance and securities trading, including exposure to markets in Europe, the Middle East and Africa.

He has served as the Chairman & CEO of one of the largest bank in Pakistan, as director of listed companies and major NGOs in Pakistan, and one of the largest banks in Nigeria.

HUSSAIN JAMIL

Chief Executive Officer/Director

Hussain is the CEO of EcoPack Ltd., and has over 47 years of experience in trade and industry. This includes setting up and running a private limited company in Karachi manufacturing flexible plastic packaging. He is the founder Chairman and CEO of EcoPack and continues to strategically lead the company's growth in key areas such as corporate relationship management, financial arrangements & structuring, as well as developing new opportunities and partnerships for the company's long term sustainable growth.

Prior to founding EcoPack, Hussain was a successful entrepreneur trading packaging materials such as cotton bags, paper sacks, polythene liners and jute bags. He has also had international exposure in trading commodities such as steel and wheat flour when he was stationed overseas. Subsequently, he set up EcoPack in 1992 and commenced a career in industrial production of Rigid plastic packaging mainly for the Beverage industry in Pakistan.

Hussain is a honours graduate from the University of Karachi.

DIRECTORS' PROFILE

ASAD ALI SHEIKH
Non-Executive Director

Asad Ali Sheikh is on the Board of EcoPack Limited as Non-Executive Director since 2007 and has been Independent Director since 2013. He did his B.Com. and LL.B. from the University of Sindh and did his MBA (Finance) from The Institute of Business Management, Karachi. He possesses 33 years' vast experience with Non-Banking Financial Institutions in Pakistan which essentially included Leasing Companies and Modarabas with special focus on Leasing and Islamic Finance with functional involvement in the areas of Credit, Marketing, Operations, Risk Management and Compliance. He served longest tenure with BRR Modaraba and its other group concerns for 18 years at various senior positions relating to marketing, operations and Risk. For last seven years he has been working with ORIX Leasing Pakistan Limited at various senior positions (i.e. Head of Islamic Finance, Head of Compliance) and currently as Senior Manager of Special Asset Management (SAM). He is accredited mediator, certified from Pakistan Mediators' Association. He played a significant role in establishing and ensuring best corporate practices and better automation systems for greater transparency and efficiency of the company. He is the Chairman of the Audit Committee and currently serving its third term and has contributed significantly towards ensuring good governance and compliance with the company policies and its regulatory frame-work.

AHSAN JAMIL
Non-Executive Director

Ahsan Jamil is an entrepreneur with a strong social investing track record in both education and health. He is the President & CEO of the Pakistan Institute of Corporate Governance. He is a co-founder of Ubuntu Care, an Early Years Childcare & Development impact business. Prior to that he was the Country CEO (Pakistan) of a large multi-country Healthcare Fund for 2 years. He was a co-founder of The Aman Foundation and its CEO for 7 years. Here he helped set up Amantech, Teach for Pakistan and Aman Sports as a founding Chairman respectively and Injaaz Pakistan as a founding Director. Additionally, he set up Aman Health which included the award-winning Aman ambulance and Aman Telehealth services as well as some international mental health programs. Prior to that he was a founder Director of EcoPack Limited, where he worked for 17 years, the last 7 years as its CEO.

In his initial years he worked at Unilever Pakistan, Chase Manhattan Bank, Pakistan and E.F Hutton on Wall Street, USA. Ahsan has a Bachelors' degree in Math-Economics from Reed College, USA. He has a post graduate diploma in Counseling and Addiction Alleviation. He also serves on the Board of the ICare Foundation and the Acumen Fund Advisory board.

DIRECTORS' PROFILE

ALI JAMIL
Non-Executive Director

Ali Jamil has been a finance and mortgage adviser in the United Kingdom with almost 48 years` experience in property and finance. He was a sponsor Director of EcoPack Limited since its inception in 1992 and has served on EcoPack`s board for several terms. He trained with the British Plastics institute and has a good understanding of the technological and marketing aspects of various plastic materials and manufacturing processes.

Ali has also worked in the family business of 'blown film extrusion and flexographic printing' for several years before he assisted in setting-up EcoPack Limited.

SONYA JAMIL
Non-Executive Director

Sonya Jamil is a certified psychotherapist and a member of the British Association for Counselling and Psychotherapy. Having completed her bachelors degree in Business Administration in 2003 from Dublin, Sonya pursued an Advanced Diploma in Psychotherapy from CPPD Pakistan, and was subsequently certified by the BACP, UK. She currently practices as a therapist and has been associated with, and worked in the mental health field for 5 years. Her business and mental health background brings valuable diversity to the board of EcoPack.

REHAN JAMIL
Non-Executive Director

Rehan Rafay Jamil is Ph.D. Candidate in Political Science at Brown University in the United States. His research interests include political economy of development, and social policy in Pakistan. His dissertation examines the citizenship impacts of Pakistan's largest cash transfer program: The Benazir Income Support Programme: Rehan has over 5 years of experience in international development consulting at multilateral organizations such as the World Bank, UNDP and USAID. He has a master's degree in International Affairs from Columbia University and a bachelor's degree with High Honours from Oberlin College.

BBB+ | A2

Long-Term	Short-Term
BBB+	A2

Pakistan Credit Rating Agency ("PACRA") has affirmed the Company's Long-term credit rating at 'BBB+' and short-term at 'A2' in a recently released report

OUR HISTORY & MILESTONES

1992
EcoPack was converted into a public limited company

1993
EcoPack started commercial production

1994
EcoPack was successfully listed on the Karachi Stock Exchange

1999
EcoPack sets up its second factory for blowing PET bottles in Karachi (Southern Pakistan) to meet growing demand thus covering the complete breadth of the market

2000
EcoPack introduced the first 1 piece bottle for the carbonated soft drink (CSD) PET bottle in Pakistan, replacing the 2-piece generic base cup cylindrical bottle

2005
- EcoPack successfully introduced the first single-serve 500 ml CSD bottle in the Pakistani market.
- Achieved ISO 9001 Certification.

2007
EcoPack installed an on premise complete bottle blowing line inside a Multinational Beverage Plant in Islamabad under a "through-thewall" bottle supply arrangement

2008

- Consolidated the production units in Hattar to cater to the large population region of the country.
- Started export of preforms to the regional markets i.e India, Afghanistan and Central Asia.

2010

- Achieved the Coca Cola Eurasia Africa approval for the preforms.
- Started export to the anti-podal Southern Hemisphere markets like Southern Africa.

2013

Achieved ISO 22000 Certification

2018

EcoPack made its biggest expansion in Preform capacity increasing it by almost 90% annually with the acquisition of state-of-the-art world renowned Husky Preform Injection systems.

2019

Ventured to explore new horizons of "larger PET bottles" for existing and new industries/ customers.

2020

Achieved Halal PS3733 Certification

2021

Added 10 new customers and 13 new SKUs in Large Pack Bottles

CORPORATE SOCIAL RESPONSIBILITY (CSR)

- Ecopack received the Pakistan Centre for Philanthropy Award for donations in 2008-09.
- EcoPack regularly donates to renowned leading Pakistani philanthropic organizations such as Sindh Institute of Urology and Transplantation, Layton Rahmatulla Benevolent Trust, Shaukat Khanum Memorial Trust, the Kidney Center, Aman Foundation, The Citizens Foundation among others.
- As part of its CSR strategy to give back to the community, EcoPack has embarked on a pilot program of skill development by hiring engineering graduates and diploma holders from nearby engineering colleges and universities to train them in various production departments of the company's manufacturing processes. By doing so, EcoPack retains the best by giving them permanent employment and releasing others as trained skilled resource for the market. This program is expanding and building on its continual success.

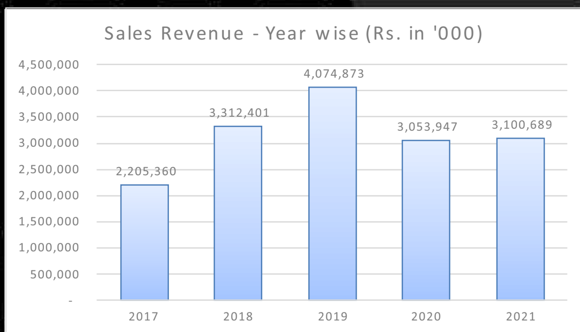
SUMMARY OF FINANCIALS

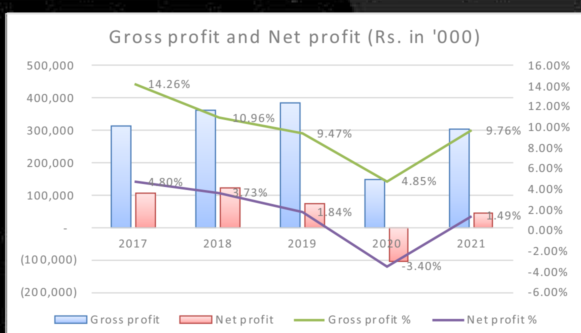
	2021	2020	2019	2018	2017
	---------------------------------- Rupees in '000 ----------------------------------				
Summary of Statement of Financial Position					
Share capital	**381,489**	381,489	346,809	301,573	287,212
Reserves	**468,580**	423,140	560,613	566,721	484,037
Shareholders' funds / Equity	**850,069**	804,629	907,422	868,294	771,249
Long term borrowings	**247,214**	287,476	267,303	325,194	149,906
Employee benefits	**33,979**	104,884	126,996	106,325	92,319
Deferred tax liabilities - net	**22,145**	49,311	129,234	132,429	169,246
Property,plant & equipment	**1,336,883**	1,408,042	1,426,872	1,362,572	1,001,273
Long term assets	**1,354,383**	1,426,356	1,463,845	1,381,721	1,010,987
Current assets	**787,402**	648,567	1,067,725	999,833	690,979
Summary of Profit and Loss					
Sales	**3,100,689**	3,053,947	4,074,873	3,312,401	2,205,360
Gross profit	**302,597**	147,964	385,817	363,200	314,457
Operating profit	**159,162**	12,332	235,919	199,132	204,224
Profit / (loss) before tax	**66,503**	(144,881)	108,831	132,311	149,922
Profit / (loss) after tax	**46,114**	(103,700)	74,811	123,456	105,861
EBITDA	**288,655**	147,675	369,095	318,948	311,383
Summary of Cash Flows					
Net cash flow from operating activities	**(34,796)**	439,442	71,980	77,422	234,016
Net cash flow from investing activities	**(78,116)**	(98,488)	(193,385)	(107,149)	(56,732)
Net cash flow from financing activities	**161,702**	(383,195)	81,174	85,381	(76,401)
Changes in cash & cash equivalents	**48,790**	(42,241)	(40,231)	55,654	100,883
Summary of Actual Production (Units)					
Preforms	**420,473**	376,837	467,866	387,500	283,402
Bottles	**130,195**	134,505	176,535	174,143	159,056

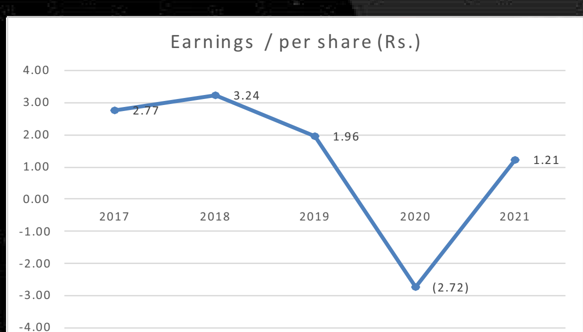
Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

BUSINESS PERFORMANCE







The Widening Product Range

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018	18 vs 17	2017
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000
ASSETS									
Non-Current Assets									
Property, plant and equipment	**1,336,883**	**(5.1)**	1,408,042	(1.32)	1,426,872	4.72	1,362,572	36.08	1,001,273
Intangibles	**5,291**	**(13.3)**	6,105	(7.82)	6,623	(10.52)	7,402	14.02	6,492
Advance for capital expenditure	**-**	**-**	-	(100.00)	18,207	100.00	-	-	-
Long-term deposits	**12,209**	**-**	12,209	0.54	12,143	3.37	11,747	264.59	3,222
	1,354,383	**(5.0)**	1,426,356	(2.56)	1,463,845	5.94	1,381,721	36.67	1,010,987
Current Assets									
Inventories	**442,389**	**48.7**	297,598	(23.31)	388,069	36.97	283,332	(6.46)	302,885
Trade debts	**228,181**	**6.3**	214,694	(46.69)	402,706	(11.42)	454,623	204.30	149,400
Loans and advances	**39,521**	**26.7**	31,183	(74.78)	123,641	101.01	61,510	14.44	53,748
Deposits, prepayments and other receivables	**4,722**	**(36.0)**	7,381	(47.18)	13,973	48.85	9,387	(44.38)	16,877
Advance tax - net	**36,767**	**(52.5)**	77,433	(25.42)	103,823	(6.67)	111,248	1.94	109,127
Short term investments	**7,125**	**100.0**	-	-	-	-	-	(100.00)	36,000
Cash and bank balances	**28,697**	**41.5**	20,278	(42.90)	35,513	(55.46)	79,733	247.54	22,942
	787,402	**21.4**	648,567	(39.26)	1,067,725	6.79	999,833	44.70	690,979
Total assets	**2,141,785**	**3.2**	2,074,923	(18.04)	2,531,570	6.30	2,381,554	39.93	1,701,966
EQUITY AND LIABILITIES									
Equity									
Share capital	**381,489**	**-**	381,489	10.00	346,809	15.00	301,573	5.00	287,212
Revaluation surplus on property and plant	**121,233**	**(12.5)**	138,582	(4.40)	144,962	(10.27)	161,552	(8.15)	175,887
Unappropriated profits	**347,347**	**22.1**	284,558	(31.54)	415,651	2.59	405,169	31.48	308,150
	850,069	**5.6**	804,629	(11.33)	907,422	4.51	868,294	12.58	771,249
Non-Current Liabilities									
Long term loans	**139,511**	**51.9**	91,816	37.72	66,667	9.75	60,746	(58.17)	145,223
Deferred grant	**2,152**	**(31.1)**	3,123	100.00	-	-	-	-	-
Lease liabilities	**107,703**	**(45.0)**	195,660	(2.48)	200,636	(24.13)	264,448	5,546.98	4,683
Employee benefits	**33,979**	**(67.6)**	104,884	(17.41)	126,996	19.44	106,325	15.17	92,319
Deferred tax liabilities - net	**22,145**	**(55.1)**	49,311	(61.84)	129,234	(2.41)	132,429	(21.75)	169,246
	305,490	**(31.3)**	444,794	(15.04)	523,533	(7.17)	563,948	37.06	411,471
Current Liabilities									
Trade and other payables	**212,608**	**(11.3)**	239,665	17.80	203,452	(31.64)	297,614	79.59	165,715
Unclaimed dividend	**2,761**	**1.5**	2,719	7.60	2,527	94.09	1,302	182.43	461
Short term borrowings	**595,040**	**13.3**	525,209	(28.80)	737,682	52.12	484,941	100.47	241,898
Current portion of non-current liabilities	**175,817**	**203.6**	57,907	(63.11)	156,954	(5.14)	165,455	48.83	111,172
	986,226	**19.5**	825,500	(25.00)	1,100,615	15.94	949,312	82.83	519,246
	2,141,785	**3.2**	2,074,923	(18.04)	2,531,570	6.30	2,381,554	39.93	1,701,966

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2021		2020		2019		2018		2017	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
ASSETS										
Non-Current Assets										
Property, plant and equipment	1,336,883	62.42	1,408,042	67.86	1,426,872	56.36	1,362,572	57.21	1,001,273	58.83
Intangibles	5,291	0.25	6,105	0.29	6,623	0.26	7,402	0.31	6,492	0.38
Advance for capital expenditure	-	-	-	-	18,207	0.72	-	-	-	-
Long-term deposits	12,209	0.57	12,209	0.59	12,143	0.48	11,747	0.49	3,222	0.19
	1,354,383	63.24	1,426,356	68.74	1,463,845	57.82	1,381,721	58.02	1,010,987	59.40
Current Assets										
Inventories	442,389	20.66	297,598	14.34	388,069	15.33	283,332	11.90	302,885	17.80
Trade debts	228,181	10.65	214,694	10.35	402,706	15.91	454,623	19.09	149,400	8.78
Loans and advances	39,521	1.85	31,183	1.50	123,641	4.88	61,510	2.58	53,748	3.16
Deposits, prepayments and other receivables	4,722	0.22	7,381	0.36	13,973	0.55	9,387	0.39	16,877	0.99
Taxation - net	36,767	1.72	77,433	3.73	103,823	4.10	111,248	4.67	109,127	6.41
Short term investments	7,125	0.33	-	-	-	-	-	-	36,000	2.12
Cash and bank balances	28,697	1.34	20,278	0.98	35,513	1.40	79,733	3.35	22,942	1.35
	787,402	36.76	648,567	31.26	1,067,725	42.18	999,833	41.98	690,979	40.60
Total assets	2,141,785	100.00	2,074,923	100.00	2,531,570	100.00	2,381,554	100.00	1,701,966	100.00
EQUITY AND LIABILITIES										
Equity										
Share capital	381,489	17.81	381,489	18.39	346,809	13.70	301,573	12.66	287,212	16.88
Revaluation surplus on property and plant	121,233	5.66	138,582	6.68	144,962	5.73	161,552	6.78	175,887	10.33
Accumulated profit	347,347	16.22	284,558	13.71	415,651	16.42	405,169	17.01	308,150	18.11
	850,069	39.69	804,629	38.78	907,422	35.84	868,294	36.46	771,249	45.32
Non-Current Liabilities										
Long term loans	139,511	6.51	91,816	4.43	66,667	2.63	60,746	2.55	145,223	8.53
Deferred grant	2,152	0.10	3,123	0.15	-	-	-	-	-	-
Lease liabilities	107,703	5.03	195,660	9.43	200,636	7.93	264,448	11.10	4,683	0.28
Employee benefits	33,979	1.59	104,884	5.05	126,996	5.02	106,325	4.46	92,319	5.42
Deferred tax liabilities - net	22,145	1.03	49,311	2.38	129,234	5.10	132,429	5.56	169,246	9.94
	305,490	14.26	444,794	21.44	523,533	20.68	563,948	23.68	411,471	24.18
Current Liabilities										
Trade and other payables	212,608	9.93	239,665	11.55	203,452	8.04	297,614	12.50	165,715	9.74
Unclaimed dividend	2,761	0.13	2,719	0.13	2,527	0.10	1,302	0.05	461	0.03
Short term borrowings	595,040	27.78	525,209	25.31	737,682	29.14	484,941	20.36	241,898	14.21
Current portion of non-current liabilities	175,817	8.21	57,907	2.79	156,954	6.20	165,455	6.95	111,172	6.53
	986,226	46.05	825,500	39.78	1,100,615	43.48	949,312	39.86	519,246	30.51
	2,141,785	100.00	2,074,923	100.00	2,531,570	100.00	2,381,554	100.00	1,701,966	100.00

HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

	2021	***21 vs 20***	2020	*20 vs 19*	2019	*19 vs 18*	2018	*18 vs 17*	2017
	Rs. In '000	**%**	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000
Sales - net	**3,100,689**	**1.53**	3,053,947	(25.05)	4,074,873	23.02	3,312,401	50.20	2,205,360
Cost of sales	**(2,798,092)**	**(3.71)**	(2,905,983)	(21.23)	(3,689,056)	25.09	(2,949,201)	55.97	(1,890,903)
Gross profit	**302,597**	**104.51**	147,964	(61.65)	385,817	6.23	363,200	15.50	314,457
Other income - net	**13,636**	**(17.20)**	16,469	(18.26)	20,149	(49.37)	39,800	5.60	37,691
Selling expenses	**(26,552)**	**(4.76)**	(27,878)	1.76	(27,397)	15.25	(23,771)	12.04	(21,216)
Administrative expenses	**(100,046)**	**4.45**	(95,786)	(4.83)	(100,650)	20.23	(83,714)	18.55	(70,613)
Reversal of Impairment/ (Impairment loss) on trade debts	**646**	**(67.36)**	1,979	(154.47)	(3,633)	(13.75)	(4,212)	(42.60)	(7,338)
Other expenses	**(31,119)**	**2.31**	(30,416)	(20.72)	(38,367)	(58.37)	(92,171)	89.04	(48,757)
Operating profit/(loss)	**159,162**	**1,190.64**	12,332	(94.77)	235,919	18.47	199,132	(2.49)	204,224
Finance cost	**(92,659)**	**(41.06)**	(157,213)	23.70	(127,088)	90.19	(66,821)	23.05	(54,302)
Profit/(loss) before taxation	**66,503**	**(145.90)**	(144,881)	(233.12)	108,831	(17.75)	132,311	(11.75)	149,922
Taxation	**(20,389)**	**(149.51)**	41,181	(221.05)	(34,020)	284.19	(8,855)	(79.90)	(44,061)
Profit/(loss) after taxation	**46,114**	**(144.47)**	(103,700)	(238.62)	74,811	(39.40)	123,456	16.62	105,861

VERTICAL ANALYSIS
STATEMENT OF PROFIT OR LOSS

	2021		2020		2019		2018		2017	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
Sales - net	3,100,689	100.00	3,053,947	100.00	4,074,873	100.00	3,312,401	100.00	2,205,360	100.00
Cost of sales	(2,798,092)	(90.24)	(2,905,983)	(95.15)	(3,689,056)	(90.53)	(2,949,201)	(89.04)	(1,890,903)	(85.74)
Gross profit	302,597	9.76	147,964	4.85	385,817	9.47	363,200	10.96	314,457	14.26
Other income - net	13,636	0.44	16,469	0.54	20,149	0.49	39,800	1.20	37,691	1.71
Selling expenses	(26,552)	(0.86)	(27,878)	(0.91)	(27,397)	(0.67)	(23,771)	(0.72)	(21,216)	(0.96)
Administrative expenses	(100,046)	(3.23)	(95,786)	(3.14)	(100,650)	(2.47)	(83,714)	(2.53)	(70,613)	(3.20)
Reversal of Impairment/ (Impairment loss) on trade debts	646	0.02	1,979	0.06	(3,633)	(0.09)	(4,212)	(0.13)	(7,338)	(0.33)
Other expenses	(31,119)	(1.00)	(30,416)	(1.00)	(38,367)	(0.94)	(92,171)	(2.78)	(48,757)	(2.21)
Operating profit/(loss)	159,162	5.13	12,332	0.40	235,919	5.79	199,132	6.01	204,224	9.26
Finance cost	(92,659)	(2.99)	(157,213)	(5.15)	(127,088)	(3.12)	(66,821)	(2.02)	(54,302)	(2.46)
Profit/(loss) before taxation	66,503	2.14	(144,881)	(4.74)	108,831	2.67	132,311	3.99	149,922	6.80
Taxation	(20,389)	(0.66)	41,181	1.35	(34,020)	(0.83)	(8,855)	(0.27)	(44,061)	(2.00)
Profit/(loss) after taxation	46,114	1.49	(103,700)	(3.40)	74,811	1.84	123,456	3.73	105,861	4.80

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of EcoPack Limited will be held on Thursday, October 28th, 2021 at 3:00 PM at the registered office situated at Plot # 112-113, Phase-V, Hattar Industrial Estate, Hattar, District Haripur, Khyber Pakhtunkhwa to transact the following business:

Ordinary Business:

1. To confirm the minutes of the 29th Annual General Meeting held on October 28th, 2020.

2. To receive and adopt the Directors' and Auditors' report together-with Financial Statements of the company for the year ended June 30, 2021.

3. To approve issuance of Bonus shares @ 10% i.e., ten (10) shares for every (100) shares held, as recommended by the Board of Directors.

4. To appoint Auditors for the financial year ending June 31, 2022 and to fix their remuneration. The present auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants, will stand retired on the conclusion of this meeting.

5. To transact any other business at the Annual General Meeting with the permission of the Chair.

Special Business:

6. To consider and, if thought fit, approve the amendment in Articles of Association of the Company regarding Directors' Remuneration for attending meetings and to pass the following resolution as a special resolution:

   "Resolved that the amendment in Article 89 of the Articles of Association of the Company, regarding Directors' Remuneration for attending meetings, as recommended by the Board of Directors, be and is hereby approved."

By order of the Board

AWAIS IMDAD
Company Secretary

September 25, 2021

NOTES:

1. **Statement U/S. 134(3) of the Companies Act, 2017 Pertaining to the Special Business:**

According to Article No. 89 of the Company's Articles of Association, Directors (other than regular paid and full-time working Directors) are currently entitled to a fee not exceeding Rs. 100,000/- for attending a meeting, plus actual travel expenses incurred for the purposes of attending the meeting.

Given the rise in inflation over several years, the Board of Directors has decided to raise the fee ceiling from Rs. 100,000/- to Rs. 200,000/-. The Board of Directors has proposed to pass the following Resolution with or without amendments:

Resolved that Article No. 89 of the Articles of Association of the Company be and is hereby substituted as under:

"Every director other than the regular paid and full working directors shall be entitled to a fee not exceeding Rs. 200,000 for attending a meeting plus the actual traveling expenses incurred by him for attending the meeting. The remuneration for extra services performed by the directors shall be determined by the shareholders in general meeting."

At present, the Directors are being paid within the allowed / sanctioned limit of Rs. 100,000 and this practice will continue in the future until amended.

Interest of Directors:

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

2. **Closure of Shares Transfer Books:**

The share transfer books of the company will remain closed from October 15, 2021 to October 28, 2021. (both days inclusive). Transfers received in order at our Share Registrar / Transfer agent M/s THK Associates (Pvt). Ltd. Karachi at the close of business on Thursday, October 14, 2021 shall be treated in time for the purpose of Annual General Meeting and entitlement of Dividend if approved by the shareholders.

3. **Participation in General Meeting:**

A member entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her

An individual beneficial owner of shares must bring his / her original CNIC or Passport, Account and Participant's I.D. numbers to prove his / her identity. A representative of corporate members, must bring the Board of Directors' Resolution and / or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

4. **For Appointing Proxies:**

The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

Duly completed instrument of proxy, and the other authority under which it is signed, or a notarially certified copy thereof, must be lodged with the Company Secretary at the Company's Registered Office (Plot 112-113 Phase 5, Industrial Estate Hattar) at least 48 hours before the time of the Meeting.

5. **Payment of Cash Dividend Electronically (Mandatory Requirement):**

In accordance with the provisions of Section 242 of the Companies Act and Companies

(Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, EcoPack Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement of providing their International Bank Account Number (IBAN).

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400 (in case of shareholding in Physical Form).

i. Shareholders Details	
Name of the Shareholder (s)	
Folio # /CDS Account No (s)	
CNIC No (Copy attached)	
Mobile / Landline No	
ii. Shareholders' Bank Details	
Title of Bank Account	
International Bank Account Number (IBAN)	
Bank's Name	
Branch's Name and Address	

In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

6. **Withholding Tax on Dividend:**

As per Income Tax Ordinance, 2001, withholding tax will be determined separately keeping in view the Active/Non-Active Status of shareholder on the amount of dividend paid by the Company. Shareholders whose names are not entered into the Active Tax Payer List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for entitlement of the cash dividend i.e. October 15, 2021(if approved by the shareholders); otherwise tax on their cash dividend will be deducted as per law

General Guidelines:

I) For any query/problem/information, the investors may contact the Company and / or the Share Registrar: The Manager, Share Registrar Department, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, Telephone Number: 021-35310191-96, email address: aa@thk.com.pk and/ or The Company Secretary, Telephone Number: 051-5974098 email address: awais_i@ecopack.com.pk

II) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. Transfer Agent, M/s THK Associates (Private) Limited. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.

(III) As per the clarification issued by FBR, withholding tax will be determined separately on "Filer/Non-Filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

	Principal Shareholder			Joint Shareholder(s)	
Folio / CDC Account No.	**Total Shares**	**Name and CNIC No.**	**Shareholding Proportion** (No. of Shares)	**Name and CNIC No.**	**Shareholding Proportion** (No. of Shares)

7. Submission of the CNIC/NTN details (Mandatory):

In accordance with the notification of the Securities and Exchange Commission of Pakistan (SECP) vide SRO 83(1)/2012 dated July 5, 2012 and other relevant rules, the electronic dividend warrants should also bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members.

As per Regulation No.4 and 6 of the Companies (Distribution of Dividend) Regulations, 2017, the Company shall be constrained to withhold the payment of dividend to the shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the Shareholder or authorized person.

Accordingly, the shareholders who have not yet submitted a copy of their valid CNIC or NTN, are once again requested to immediately submit the same to the Company's Share Registrar at M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, Telephone Number: 021-35310191-96, email address: aa@thk.com.pk

8. Participation in the AGM vide Video-Link Facility:

In pursuance of Section 132(2) of companies Act, 2017, the Company will provide the video link facility to those member(s) who hold minimum 10% shareholding of the total paid-up capital and resident of city other than Hattar where Company's Annual General Meeting is to be placed, upon request. Such member(s) should submit request in writing to the Company at least seven days before the date of the meeting.

9. Deposit of Physical Shares into CDC Account

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to convert their shares held in Physical Form into Book Entry Form as soon as possible. You may contact your Broker, a PSX Member, CDC Participant, or CDC Investor Account Service to assist you in opening a CDS Account & subsequent induction of the physical shares into Book Entry Form.

Should you need any further information or clarification, please feel free to contact THK Associates (PVT) Ltd on Tel # 021-35310191-96 or email at info@thk.com.pk

10. Change of Address:

The members are also requested to notify change in their address, if any, to our Share Registrar / Transfer Agent, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400

CHAIRMAN'S REVIEW REPORT

While Covid-19 continues to dominate & influence our thinking, planning and actions universally in the government, corporate and socio-economic realm, the advent of several successful vaccines has brought hope and optimism for the future. Hence the universal aggressive vaccine role out and its beneficial impact raises hope for an early revival of economic and social life to pre-pandemic times. Our country too is steadily on this path as it increasingly becomes the beneficiary of multiple vaccines from several sources.

Irrespective of the fact that the third wave of the pandemic once again disrupted your company's sales at the particular point when our robust summer season recovery takes place, your company's management, with a sharp focus on managing the vicissitudes of a continually changing Supply-Chain & logistics environment, maneuvered adeptly to draw advantage for the company wherever the situation permitted. Thus, despite a challenging year, your company was able to post a profit and come back into positive territory to partially remedy the woes of the prior year.

Meanwhile, I am pleased to note that the company continues to fulfill all it's financial obligations to creditors and progresses to reduce its long term debts with banks. Concrete steps have also been undertaken to reduce the company's liabilities towards employees by adequately safeguarding their interests and meeting various ongoing covenants.

Your company is in full compliance with all the legal and statutory obligations as per the Code of Corporate Governance (CCG) under the watchful eye of the board of directors, which meets regularly to give guidance and set targets, as well as monitors the results thereof. The board's committees also meet regularly with management and update the board with the progress made in respect of their directives and recommendations.

A strong corporate culture of transparency and accountability has effectively taken root in the company's management and systems, which bodes well for it's successful performance in a challenging economic environment.

AMAR ZAFAR KHAN
Chairman of the Board of Directors
EcoPack Ltd.
September 25, 2021

چیئرمین جائزہ رپورٹ:

اگرچہ عالمی سطح پر کووڈ19 حکومتی، تجارتی اور سماجی و معاشی تناظر میں ہماری سوچ، منصوبہ بندی اور اقدامات پر حاوی اوراثر انداز ہے لیکن متعدد کامیاب ویکسینوں کی آمد نے مستقبل کے لیے بہتری اور امید کی کرن پیدا کی ہے۔لہذا عالمی سطح پر تیزی سے ویکسین کی فراہمی اور اس کے فائدہ مند اثر نے معیشت اور سماجی زندگی کی وباء سے پہلے کی حالت میں جلد واپسی کی امید میں اضافہ کیا ہے۔متعدد ذرائع سے متعدد ویکسینیں ملنے کی وجہ سے ہمارا ملک بھی اس راستے پر مسلسل گامزن ہے۔

اس حقیقت سے قطع نظر کرتے ہوئے کہ وبائی مرض کی تیسری لہر نے ایک بار پھر خاص طور پر اسوقت آپ کی کمپنی کی فروخت میں خلل ڈالا جب ہماری موسم گرما کی مضبوط فروخت متوقع ہوتی ہے، آپ کی کمپنی انتظامیہ نے سپلائی چین اور لاجسٹکس کے مسلسل بدلتے حالات سے نمٹنے پر گہری توجہ مرکوز رکھتے ہوئے جب بھی صورتحال نے اجازت دی تو اسوقت کمپنی کے لیے ہوشیاری سے فائدہ حاصل کرنے کی کوشش کی۔لہذا مشکل سال ہونے کے باوجود، آپ کی کمپنی نفع حاصل کرنے میں کامیاب رہی اور گذشتہ سال ہونے والے نقصانات کے جزوی ازالے کے لیے مثبت مقام پر واپس آنے میں کامیاب رہی۔

دریں اثناء مجھے یہ دیکھ کر خوشی ہوئی کہ کمپنی قرض دہندگان کے سلسلے میں اپنی تمام تر مالی ذمہ داریوں کو پورا کرتی رہی ہے اور بینکوں کے ساتھ اپنے طویل المدت قرضوں کو کم کرنے کے لیے پیشرفت کرتی رہی ہے۔ ملازمین کے سلسلے میں کمپنی کے واجبات کو کم کرنے کے لیے ٹھوس اقدامات بھی کیے گئے ہیں تاکہ ان کے مفادات کی مناسب حفاظت کی جاسکے اور مختلف جاری معاہدوں کو پورا کیا جاسکے۔

آپ کی کمپنی بورڈ آف ڈائریکٹرز کی زیر نگرانی کارپوریٹ گورننس کے ضابطے (CCG) کے مطابق تمام قانونی اور آئینی ذمہ داریوں کی مکمل تعمیل کرتی رہی ہے۔ بورڈ رہنمائی دینے اور اہداف مقرر کرنے کے لیے باقاعدگی سے اجلاس کرتا ہے اور اس سلسلے میں نتائج پر نظر رکھتا ہے۔ بورڈ کی کمیٹیاں انتظامیہ کے ساتھ بھی باقاعدگی سے ملتی ہیں اور بورڈ کی ہدایات اور سفارشات کے حوالے سے ہونے والی پیشرفت کے متعلق بورڈ کو آگاہ کرتی ہیں۔

شفافیت اور جوابدہی کے ایک مضبوط کارپوریٹ کلچر نے مؤثر طریقے سے کمپنی کے انتظام اور نظام میں جڑ پکڑلی ہے، جو کہ ایک مشکل معاشی ماحول میں اسکی کامیاب کارکردگی کے لیے بہتر ہے۔

عامر ظفر خان
چیئرمین بورڈ آف ڈائریکٹرز، ایکو پیک لمیٹڈ
25 ستمبر 2021

DIRECTORS' REPORT

The Board of directors of EcoPack Limited is pleased to present the Directors' Report and the annual audited financial statements of the company alongwith the Auditor's Report thereon for the year ended 30th June 2021:

OVERVIEW

The first COVID wave of infections rocked the economy of the country in March/April 2020 in the previous financial year, followed by the 2nd infectious wave around September 2020 and the 3rd deadly wave of the highly transmissible Delta variant in Q4 of the outgoing financial year ended 2021.

The ensuing lockdowns and market closures again disrupted and negatively impacted the usual high summer sales and strong volumes expected in the last quarter. Although the vaccine role out had commenced in Pakistan, it was slow and very limited due to lack of vaccine availability. Thus, despite significant reductions in interest rates and lower prices of crude oil, the slowdown in the economy due to intermittent lockdowns, closure of educational institutions, wedding halls and markets, plus temporary bans on inter-city travel, resulted in lower beverage consumption and consequent sales. Most of the Beverage companies indicated negative to stagnant sales over the corresponding previous year.

Electricity rates increased by 10 – 15 % over last year, as did inland truck freight rates by over 13%. Despite the sharp rise in the prices of your Company's raw and packing materials, your management took timely steps and managed supply–chain arrangements to substantially contain runaway inflation due to the impact of a commodity super-cycle in petrochemicals internationally. This spike was further exacerbated by shipping costs and sea freight shooting up by 2 to 3 times of normal freight due to an acute shortage of cargo containers caused by logistical problems during the ongoing Pandemic worldwide. However, we were able to mitigate some of the negative impact by prompt and effective Supply-Chain arrangements resulting in considerable savings for your company.

Furthermore, in the face of difficult low growth and slow market conditions, your company pursued a policy of competing aggressively and enhancing Preform sales to offset a small decline in Bottle sales. However, the recently added 'large containers & bottles project' witnessed an increase of nearly 63% compared to the previous year, as new customers were successfully added to the company's order book. This is an exciting new market for your company and we expect exponential growth in this segment because of the distinctly superior manufacturing technology and quality of our products compared to our competition.

DIRECTORS' REPORT

SALES & FINANCIAL HIGHLIGHTS

Topline revenue increased from Rs. 3.05 billion to Rs. 3.10 billion as compared to the previous year i.e., an increase of 2%. This sales growth was achieved by virtue of an increase in Preforms sales by 9% in unit terms, however, quantity of Bottles sales decreased by 5%. Preforms sales volume increased by 6% in value terms while Bottles sales decreased by 5% in value against the prior year. A huge increase in Gross profit has been achieved i.e., from Rs. 148 million to Rs. 302.59 million as compared to the last financial year 2020, i.e., an increase of Rs. 154.63 million reflecting 105% growth. Similarly, Operating profit of Rs. 159.16 million has been earned against a meagre operating profit of Rs. 12.33 million last year. There is a significant turnaround in the Operating profit by Rs. 146.83 million mainly due to the higher volumes of Preforms sale, Large Container sale and other gains from beneficial supply-chain measures.

Financial charges significantly decreased by 41% i.e., from Rs. 157.21 million to Rs. 92.65 million- a reduction of Rs. 64.55 million against last year. The main reason of this decrease is the reduction in KIBOR by 41% due to a huge reduction in SBP's policy rate as compared to the previous year. Your management also obtained a decrease in mark-up spread ranging from 25 BPS to 50 BPS from its lending banks, which also contributed to a reduction in overall borrowing costs.

Pre-tax profit is recorded at Rs. 66.50 million against a pre-tax loss of Rs. 144.88 million as compared to last year - an improvement of Rs. 211.38 million. However, Post-tax profit comes to Rs. 46.11 million against a post-tax loss of Rs. 103.7 million last year. Thus, your Company has recorded an improvement in the bottom line by 144% i.e., by Rs. 150.453 million.

Earnings per share (basic and diluted) for the financial year ended June 30, 2021 is Rs. 1.21 per share against loss per share of Rs. 2.72 for the corresponding last year.

FUTURE OUTLOOK

On account of the timely investments in capacity enhancements undertaken by your company in the last 2-3 years, our business is well diversified and balanced to effectively meet the anticipated customer demand for packaging products in three streams: (1) Preforms for customers in the CSD and bottled water market (2) Regular bottles for CSD, Syrups & Squashes, etc. and (3) Large containers for Edible Oil and jumbo Water bottles/containers. As consumer demand grows on the back of a rising young demographic population, your company's investments in capacity and new products/sectors is beginning to pay off, bringing increasing stability to future plans and cashflows.

As the world looks to sources of clean renewable energy to meet its needs, your company too is embarking on a small pilot project in Solar energy to test the waters before scaling up to meet the bulk of its energy requirements. In the face of a rising 'Circular Debt' in the energy sector and volatility due to increasing crude oil and gas prices, your company's management is determined to find cost-effective solutions to drive its future growth plans. Low cost viable technologies & solutions are a priority to enable the company to remain a reliable & competitive vendor to the dynamic Food and Beverage (F&B) industry demanding improved and competitive packaging to enhance its consumer base.

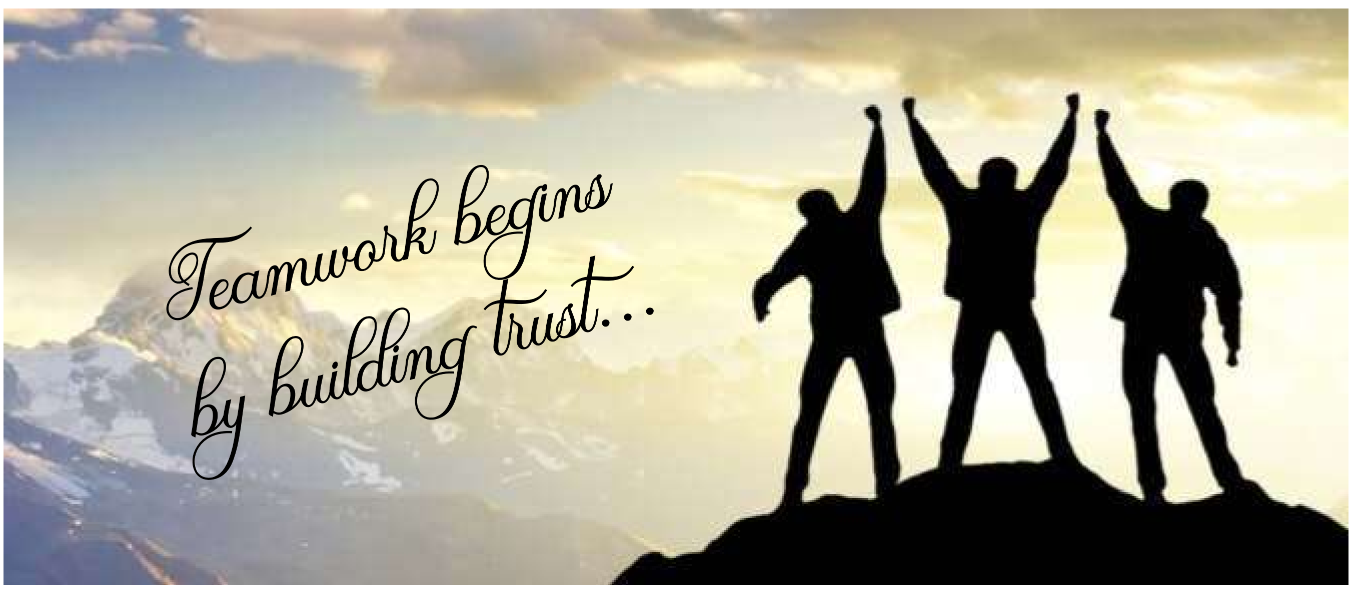
DIRECTORS' REPORT

RISKS

New and unexpected variants of the Covid-19 virus remain a threat to disruptions in the economy as the vaccine role out picks up speed in the country. The business-related Travel and Hospitality industry continues to reel from the effects of the Pandemic, however, a silver lining has been witnessed in a surge in local tourism due to restrictions on foreign travel.

The recent depreciation of the PKR versus the USD/hard currencies and the increase in Crude Oil prices pose a substantial inflationary risk to all business & industry as this is a fundamental denominator of costs across the board. The GOP's handling of the ubiquitous energy related 'Circular Debt' remains a key threat to achieving efficiencies in our manufacturing cost base.

The geo-political situation on our western borders is fluid after the USA's recent unceremonious departure from Afghanistan. However, if the situation is controlled and managed sensibly by regional players, it could augur well for the much anticipated “dividends of peace” for the benefit of the entire region.



For & on behalf of the Board of Directors

ASAD ALI SHEIKH
DIRECTOR

HUSSAIN JAMIL
Chief Executive Officer
September 25, 2021

جبکہ دنیا اپنی ضروریات کو پورا کرنے کے لیے صاف قابل تجدید توانائی کے ذرائع تلاش کر رہی ہے، آپ کی کمپنی بھی شمسی توانائی کے ایک چھوٹے آزمائشی منصوبے پر کام کر رہی ہے تاکہ توانائی کی اپنی بڑی ضروریات کو پورا کرنے سے قبل پانی کی گہرائی یعنی اسکے فوائد و مضمرات کا اندازہ لگایا جاسکے۔ توانائی کے شعبے میں بڑھتے ہوئے گردشی قرضے اور خام تیل و گیس کی قیمتوں میں اضافے کی وجہ سے ہونے والے تغیر کے تناظر میں، آپ کی کمپنی اپنے مستقبل میں ترقی کے منصوبوں کو چلانے کے لیے موثر بہ لاگت حل تلاش کرنے کے لیے پر عزم ہے۔ کم لاگت والی قابل قبول ٹیکنالوجیز اور حل ایک ترجیح ہیں تاکہ کمپنی کو خوراک و مشروبات کی متحرک صنعت کے میدان میں جو کہ اپنے صارفین میں اضافے کے لیے بہتر اور مسابقتی پیکنگ طلب کر رہی ہے، میں ساکھ کی حامل ایک مسابقت کار کمپنی رہے

خطرات

کوویڈ-19 وائرس کی نئی اور غیر متوقع اقسام معیشت میں رکاوٹوں کے لئے خطرہ بنی ہوئی ہیں کیونکہ ویکسین کا کردار ملک میں تیزی سے بڑھ رہا ہے۔ کاروبار سے متعلق ٹریول اینڈ ہاسپٹلٹی انڈسٹری وبا کے اثرات سے دوچار ہے تاہم غیر ملکی سفر پر پابندیوں کی وجہ سے مقامی سیاحت میں امید کی کرن دیکھنے میں آئی ہے۔

امریکی ڈالر اور مستحکم کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں رونما ہونے والی کمی اور خام تیل کی قیمتوں میں اضافے نے تمام کاروباروں اور صنعتوں کے لیے مہنگائی میں خاطر خواہ اضافے کی گھنٹی بجا دی ہے کیونکہ یہ پورے عمل میں لاگتوں کی بنیادی اکائی ہے۔ حکومت پاکستان کی جانب سے چہار سو انرجی سے متعلقہ گردشی قرضے کو سنبھالا دینا ہمارے پیداواری عمل کی بنیادی لاگت میں بہتری کے عمل کے لیے ایک اہم خطرہ رہا ہے۔

افغانستان سے امریکا کے حالیہ اچانک انخلاء کے بعد ہماری مغربی سرحدوں پر جغرافیائی سیاسی صورتحال غیر یقینی ہے۔ تاہم علاقائی کھلاڑیوں کی جانب سے اس صورتحال کو سمجھداری کے ساتھ سنبھالنے کی صورت میں یہ تمام ترخطے کے فائدے کے لیے انتہائی مطلوب "امن کے فوائد" حاصل کرنے کے لیے بہتر ثابت ہو سکتا ہے۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

حُسین جمیل
چیف ایگزیکٹو آفیسر
25 ستمبر 2021

اسد علی شیخ
ڈائریکٹر

فروخت اور مالیات کے اہم نکات

گذشتہ سال کی نسبت امسال بالائی آمدن 3.05 بلین روپے سے بڑھ کر 3.10 بلین روپے رہی یعنی 2 فیصد اضافہ ہوا۔ فروخت میں یہ اضافہ اکائیوں کے اعتبار سے پریفارمز کی فروخت میں 9 فیصد اضافے کی بدولت تھا لیکن بوتلوں کی تعداد میں فروخت 5 فیصد کم ہوئی۔ پریفارم کی فروخت کے حجم میں قدری اعتبار سے 6 فیصد اضافہ ہوا جبکہ سابقہ سال کی نسبت بوتلوں کی فروخت میں قدری اعتبار سے 5 فیصد کمی ہوئی۔ نفع میں بڑا اضافہ ہوا یعنی گذشتہ مالی سال 2020 کی نسبت اس سال نفع 148.00 ملین روپوں سے بڑھ کر 302.59 ملین روپے رہا اور اس طرح 154.63 ملین روپوں کے اضافے سے 105 فیصد ترقی ہوئی۔ اسی طرح گذشتہ سال 12.33 ملین روپوں کے معمولی آپریٹنگ نفع کی نسبت اس سال 159.16 ملین روپے کا آپریٹنگ نفع ہوا۔ 146.83 ملین روپے کا ہونے والے آپریٹنگ نفع کی بنیادی وجہ پریفارم کی فروخت کے بڑے حجم، بڑے ڈبوں کی فروخت اور سپلائی چین کے فائدہ مند اقدامات کے فوائد تھے۔

مالیاتی اخراجات واضح طور پر 41 فیصد کم ہوئے یعنی 157.21 ملین روپوں سے گھٹ کر 92.65 ملین روپے ہوئے اور اس طرح گذشتہ سال کی نسبت 64.55 ملین روپے کی کمی رونما ہوئی۔ اس کمی کی بنیادی وجہ پچھلے سال کی نسبت اسٹیٹ بینک آف پاکستان کی جانب سے پالیسی ریٹ میں زبردست کمی کی وجہ سے کائبر میں 41 فیصد کمی بنی۔ آپ کی کمپنی نے مارک اپ کے پھیلاؤ میں قرضے دینے والے بینکوں سے 25 بی پی ایس سے 50 بی پی ایس کی حد تک کمی لائی اور اس سے بھی مجموعی قرضے کی لاگتوں میں کمی ہوئی۔

گذشتہ سال ہونے والے 144.88 ملین روپوں کے قبل از ٹیکس نقصان کی نسبت اس سال قبل از ٹیکس نفع 66.50 ملین روپے دیکھنے میں آیا اور اس طرح 211.38 ملین روپوں کی بہتری آئی۔ لیکن بعد از ٹیکس نفع 46.11 ملین روپے رہا جو کہ گذشتہ سال 103.70 ملین روپے کا نقصان تھا۔ اس طرح آپ کی کمپنی نے نچلی سطح سے 144 فیصد یعنی 150.453 ملین روپوں کی بہتری دیکھی۔

30 جون 2021 کو ختم ہونے والے مالی سال میں فی شیئر (بنیادی و ڈیلوٹیڈ) آمدن 1.21 روپے رہی جبکہ گذشتہ سال اسی مدت کے دوران 2.72 روپے فی شیئر نقصان ہوا تھا۔

مستقبل کے امکانات

گذشتہ دو تین سالوں کے دوران آپکی کمپنی کی جانب سے پیداواری صلاحیتوں میں اضافے کے لیے کی جانے والی بروقت سرمایہ کاریوں کے نتیجے میں، ہمارا کاروبار تین طرح کی پیکنگ پراڈکٹس کے سلسلے میں صارفین کی متوقع طلب کو اچھی طرح پورا کرنے کے لیے کثیر الجہتی اور توازن سے تیار ہے: (1) سی ایس ڈی اور بوتل بند پانی کی مارکیٹ میں صارفین کے لیے پریفارمز، (2) سی ایس ڈی، سیرپس اور مشروبات وغیرہ کے لیے باقاعدہ بوتلیں۔ اور (3) کھانے کے تیل اور پانی کی بڑی بوتلوں / ڈبوں کے لیے۔ بڑھتی ہوئی نوجوان آبادی کی وجہ سے صارفین کی طلب میں اضافے کے بعد، پیداواری صلاحیتوں میں اضافے کے سلسلے میں آپکی کمپنی کی جانب سے کی جانے والی سرمایہ کاری کا فائدہ ملنا شروع ہو گیا ہے اور اس سے مستقبل کے منصوبوں اور نقدی کے بہاؤ میں استحکام بڑھ رہا ہے۔

ڈائریکٹرز رپورٹ:

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2021 کو ختم ہونے والے سال کے لیے آڈیٹرز کی رپورٹ کے ہمراہ ڈائریکٹرز کی رپورٹ اور کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو اِنتہائی مسرت سے پیش کیا جارہا ہے:

عمومی جائزہ

پچھلے مالی سال کے مارچ / اپریل 2020 میں کرونا وباء کی پہلی لہر نے ملکی معیشت کو ہلا کر رکھ دیا جس کے بعد تقریباً ستمبر 2020 میں دوسری لہر آئی اور 2021 میں ختم ہونے والے مالی سال کی چوتھی سہ ماہی میں شدت سے پھیل سکنے والے وائرس کی ڈیلٹا قسم کی تیسری تباہ کن لہر آئی۔

جاری لاک ڈاون اور مارکیٹوں کی دوبارہ بندش نے موسم گرما میں عام طور پر ہونے والی زیادہ فروخت اور گذشتہ سہ ماہی میں متوقع بڑے حجم میں رکاوٹ ڈالتے ہوئے اسے بری طرح متاثر کیا۔ اگرچہ پاکستان میں ویکسین لگنا شروع ہوچکی ہے لیکن ویکسین کی عدم دستیابی کی وجہ سے یہ آہستہ اور محدود عمل تھا، لہذا اسود کی شرح اور خام تیل کی قیمتوں میں واضح کمی رونما ہونے کے باوجود، وقفے وقفے سے لاک ڈاون، تعلیمی اداروں / شادی ہالوں و بازاروں کی بندش و شہروں کے مابین سفر پر پابندیوں کے نتیجے میں معیشت سست روی کا شکار ہوئی جس کے نتیجے میں مشروبات کی کھپت میں کمی ہوئی اور فروخت متاثر ہوئی۔ زیادہ تر مشروبات ساز کمپنیوں کی گذشتہ مساوی سال کی نسبت اس دوران فروخت میں یا تو کمی واقع ہوئی یا کوئی اضافہ نہیں ہوا۔

گذشتہ سال بجلی کی قیمتیں 10 سے 15 فیصد تک بڑھیں اور اسی طرح اندرون ملک ٹرک کے کرایوں میں 13 فیصد تک کا اضافہ ہوا۔ آپکی کمپنی کے خام و پیکنگ میٹریل کی قیمتوں میں تیز اضافے کے باوجود، آپ کی کمپنی نے بین الاقوامی طور پر پیٹروکیمیکلز کی مارکیٹ میں جنس وار سپر سائیکل سے پڑنے والے فرق کی نتیجے میں بے قابو مہنگائی پر واضح قابو پانے کے لیے بروقت اقدامات کیے اور سپلائی چین کے سلسلے میں انتظامات کیے۔ اس اضافے میں ترسیلی لاگتوں اور سمندری کرایوں میں عام کرائے سے 2 تا 3 گنا زیادہ اضافے کے نتیجے میں مزید اضافہ ہوا کیونکہ دنیا بھر میں پھیلی وباء کے دوران نقل و حمل کے مسائل کی وجہ سے کارگو کنٹینرز کی دستیابی میں شدید کمی رونما ہوئی تھی۔ تاہم، ہم سپلائی چین کے فوری اور موثر اقدامات کی وجہ سے چند منفی اثرات میں تخفیف کرنے کے قابل رہے جس کے نتیجے میں آپکی کمپنی کے لیے خاطر خواہ بچتیں ہوئیں۔

علاوہ ازیں، مشکل ترین کم نشو نما اور سست روی کے شکار مارکیٹ کے حالات کی موجودگی میں، آپکی کمپنی نے بوتلوں کی فروخت میں معمولی کمی کو پورا کرنے کے لیے جارحانہ طور پر مسابقت کرنے کیلئے پریفارمز کی زیادہ فروخت کی پالیسی اختیار کی۔ لیکن حالیہ طور پر شامل کردہ "بڑے ڈبوں اور بوتلوں کے منصوبے" میں گذشتہ سال کی نسبت تقریباً 63 فیصد اضافہ ہوا کیونکہ آپکی کمپنی کی آرڈر بک میں نئے صارفین کو کامیابی سے شامل کیا گیا تھا۔ یہ آپ کی کمپنی کے لیے ایک دلچسپ نئی مارکیٹ ہے اور ہم پیداوار کے لیے واضح طور پر بہتر ٹیکنالوجی اور اپنے مسابقت کاروں کی نسبت ہماری مصنوعات کے معیار کی وجہ اس میدان میں واضح ترقی کی توقع کرتے ہیں۔

ANNEXURE "A"

TO THE DIRECTORS REPORT
"SIX YEARS AT A GLANCE:

	2021	2020	2019	2018	2017	2016
Assets employed:						
Property, plant and equipment	**1,336,883**	1,408,042	1,426,872	1,362,572	1,001,273	999,085
Intangibles and others	**17,500**	18,314	36,973	19,149	9,714	11,463
Current Assets	**787,402**	648,567	1,067,725	999,833	690,979	659,621
	2,141,785	2,074,923	**2,531,570**	**2,381,554**	**1,701,966**	**1,670,169**
Assets financed by:						
Shareholders' equity including revaluation surplus	**850,069**	804,629	907,422	868,294	771,249	550,794
Long term finances	**247,214**	287,476	267,303	325,194	149,906	247,379
Employee benefits	**33,979**	104,884	126,996	106,325	92,319	75,821
Deffered Liabilities	**24,297**	52,434	129,234	132,429	169,246	187,343
Short term finances	**770,857**	583,116	894,636	650,396	353,070	425,097
Other current liabilities	**215,369**	242,384	205,979	298,916	166,176	183,735
	2,141,785	2,074,923	**2,531,570**	**2,381,554**	**1,701,966**	**1,670,169**
Profit & Loss:						
Sales	**3,100,689**	3,053,947	4,074,873	3,312,401	2,205,360	2,097,028
Cost of Sales	**2,798,092**	2,905,983	3,689,056	2,949,201	1,890,903	1,754,272
Gross Profit	**302,597**	147,964	385,817	363,200	314,457	342,756
Operating expenses	**143,435**	135,632	149,898	164,068	110,233	135,866
Operating profit	**159,162**	12,332	235,919	199,132	204,224	206,890
Financial charges	**92,659**	157,213	127,088	66,821	54,302	70,034
Net profit / (loss) before taxation	**66,503**	(144,881)	108,831	132,311	149,922	136,856
Taxation	**20,389**	(41,181)	34,020	8,855	44,061	34,938
Net profit / (loss) after taxation	**46,114**	(103,700)	**74,811**	**123,456**	**105,861**	**101,918**
Other comprehensive income and Transactions with owners:						
Other comprehensive income	**(674)**	18,247	(305)	136	27,965	18,720
Bonus shares	**10%**	0%	10%	15%	5%	25%
Dividend	**0%**	0%	5%	10%	10%	-
Key Financial Ratios:						
Gross profit	**9.76%**	4.85%	9.47%	10.96%	14.26%	16.34%
Operating profit	**5.13%**	0.40%	5.79%	6.01%	9.26%	11.80%
Profit before tax to net sales	**2.14%**	-4.74%	2.67%	3.99%	6.80%	6.53%
Return on capital employed	**13.77%**	0.99%	16.49%	13.90%	17.27%	19.49%
Fixed assets turnover (times)	**2.29**	2.14	2.78	2.40	2.18	2.08
Debt equity ratio	**33:67**	36:64	23:77	36:64	25:75	37:63
Current ratio	**0.80**	0.79	0.97	1.05	1.33	1.08
Earnings per share	**1.21**	(2.72)	1.96	3.24	2.77	2.67

ANNEXURE "B"

TO THE DIRECTORS' REPORT

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

STATEMENT OF DIRECTORS RESPONSIBILITIES

1. The financial statements prepared by the management present fairly its state of affairs, the results of its operations, cash-flows and changes in equity.
2. Proper books of accounts have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International financial reporting standards, as applicable in Pakistan have been followed in preparation of financial statements and any departure there-from has been adequately disclosed and explained.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts on company's ability to continue as a going concern.
7. There has been no departure from the best practice of corporate governance, as detailed in the listing regulations.

OTHER DISCLOSURES

1. Key operating and financial data for the last six years in summarized form has attached with the directors' report as Annexure “A”.
2. There are no outstanding statutory payments on account of taxes, levies and charges except of normal and routine nature.
3. The company operates a contributory provident funded scheme for its management employees and defined benefit gratuity funded scheme for its non-management employees. The value of investments as at June 30,2021 are as follows::
   - Provident Fund Rs. 8.43 million
   - Gratuity Fund Rs. 1.14 million

   Pursuant to the decision of Board of Directors, gratuity scheme for the management grade staff has been discontinued effective from 31 December 2020 and thereby contributions to the provident fund has been increased to 12.92% per annum of the basic salary, and all the related benefits were paid off by the fund reflected in Note 36 of the attached financial statements.
4. On account of “Corporate Social Responsibility” (CSR), donation during the year paid to various charitable organizations & hospitals, please refer note No. 29.1 of the financial statements for the year ended June 30, 2021.

5. The Composition of Board is as follows:
   a. Male : 07
   b. Female : 01
6. The composition of Board is as follows:
   a) **Independent Directors**
      (1) Mr. Asad Ali Sheikh (2) Mr. Amar Zafar Khan
   b) **Non-executive Directors**
      (1) Mr. Hussain Jamil (2) Mr. Ahsan Jamil (3) Mr. Ali Jamil
      (4) Mr. Rehan Jamil
   (c) **Executive Director**
      Mr. Mohammad Raza Chinoy (Chief Executive Officer - Deemed Director)*
   (d) **Female Director**
      Mrs. Sonya Jamil (Non- executive Director)
7. Board has approved the Remuneration Policy of Directors; 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.
   - The fee is paid to Directors (independent and non-executive) for attending the Board and Committee meetings and the same has been approved by the Board. They are also entitled to obtain reimbursement of expenses incurred on account of boarding, lodging and travelling to attend such meetings. The total amount of money paid to the Directors during the year is indicated in Note 36 of the attached financial statements.
8. The Board has formed committees comprising of members 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. Asad Ali Sheikh - Member
      (3) Mr. Hussain Jamil - Member
      (4) Mr. Ahsan Jamil - Member
      (5) Mrs. Sonya Jamil - Member

9. During the year, 05 board of Directors, 04 Audit Committee & 04 HR & Remuneration Committee Meetings were held and the attendance of each director is given below:

a) **Board of Directors Meetings:-**

Name of Directors	No. of Meetings Attended
Mr. Amar Zafar Khan	05
Mr. Hussain Jamil	05
Mr. Ali Jamil	05
Mrs. Sonya Jamil	05
Mr. Asad Ali Sheikh	05
Mr. Ahsan Jamil	04
Mr. Rehan Jamil	02
Mr. Shahan Ali Jamil	03
Mr. Mohammad Raza Chinoy (Chief Executive Officer - Deemed Director)*	Nil

b) **Audit Committee Meetings:-**

Name of Members	No. of Meetings Attended
Mr. Asad Ali Sheikh	04
Mr. Amar Zafar Khan	04
Mr. Ahsan Jamil	03
Mr. Shahan Ali Jamil	03
Mr. Ali Jamil	01

c) **Human Resource & Remuneration Committee Meetings:-**

Name of Members	No. of Meetings Attended
Mr. Amar Zafar Khan	04
Mr. Hussain Jamil	04
Mr. Asad Ali Sheikh	04
Mr. Ali Jamil	03
Mrs. Sonya Jamil	01
Mr. Ahsan Jamil	02

10. Trading of shares by Directors, Spouse of a Director, Chief Executive Officer, Chief Financial Officer & Secretary of the Company during the year 2020-2021 is as under:

Name	Designation	No. of Shares Acquired/(Sold)
Mr. Amar Zafar Khan	Director	Nil
Mr. Hussain Jamil**	Director	Nil
Mr. Ahsan Jamil	Director	Nil / (162,000)
Mr. Ali Jamil	Director	Nil
Mr. Asad Ali Sheikh	Director	Nil
Mrs. Sonya Jamil	Director	Nil

Mr. Rehan Jamil	Director	Nil
Mr. Mohammad Raza Chinoy**	Chief Executive Officer	Nil
Mr. Muhammed Ali Adil	Chief Financial Officer	Nil
Mr. Awais Imdad	Company Secretary	Nil

KEY MANAGEMENT PERSONNEL CHANGES*:

- **Mr. Mohammad Raza Chinoy was appointed as CEO on June 16, 2021, following the resignation of Mr. Hussain Jamil. Mr. Hussain Jamil was reappointed as CEO of the company on July 1, 2021.
- Mr. Shahan Ali Jamil was appointed as Chief information Officer (CIO) of the company on January 18, 2021 to assist the company in achieving its vision via innovative/technological methods.

BOARD CHANGES:

- In 118th Board Meeting of the Company held on February 27th, 2021, Mr. Rehan Jamil appointed as a director of EcoPack Limited, to fill the casual vacancy created by the resignation of Mr. Shahan Ali Jamil.
- The Board of Directors places on record its appreciation for services rendered by retiring Director Mr. Shahan Ali Jamil. Further, the Board welcomes newly appointed Director, Mr. Rehan Jamil on the Board.

AUDITORS:

Auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants were appointed as auditors for the year ended June 30, 2021. The auditors will retire on the conclusion of the upcoming Annual General Meeting of the Company, and being eligible, have offered themselves for reappointment for the year ending June 30, 2022.

The Board has recommended appointment of M/s A.F. Ferguson & Co. Chartered Accountants as external Auditors of the Company for the upcoming financial year to the AGM for approval. The recommendation is made in pursuance of Board's understanding of changing auditors every 3 years.

* As per section 188 of the Companies Act, 2017, The chief executive shall if he is not already a director of the company, be deemed to be its director and be entitled to all the rights and privileges, and subject to all the liabilities, of that office. Mr. Mohammad Raza Chinoy was appointed as Chief Executive Officer (CEO) on June 16, 2021, following the resignation of Mr. Hussain Jamil and accordingly deemed as a director. Mr. Hussain Jamil was reappointed as CEO of the Company on July 1, 2021.

For & on behalf of the Board of Directors

ASAD ALI SHEIKH DIRECTOR September 25, 2021	**HUSSAIN JAMIL** Chief Executive Officer

مسز سونیا جمیل	ڈائریکٹر	کوئی نہیں
جناب ریحان جمیل	ڈائریکٹر	کوئی نہیں
جناب محمد رضا چنائے **	چیف ایگزیکٹو آفیسر	کوئی نہیں
جناب محمد علی عادل	چیف فنانشل آفیسر	کوئی نہیں
جناب اویس امداد	کمپنی سکریٹری	کوئی نہیں

اہم انتظامی عملہ تبدیلیاں:

- ** جناب رضا چنائے کو جناب حسین جمیل کے استعفے کے بعد 16 جون 2021 کو سی ای او مقرر کیا گیا تھا۔ جناب حسین جمیل کو یکم جولائی 2021 کو کمپنی کا سی ای او دوبارہ مقرر کیا گیا۔
- جناب شاہان علی جمیل کو 18 جنوری 2021 کو کمپنی کا چیف انفارمیشن آفیسر (سی آئی او) مقرر کیا گیا تھا تاکہ وہ اختراعی/تکنیکی طریقوں کے ذریعے کمپنی کے وژن کے حصول میں مدد کر سکے۔

بورڈ تبدیلیاں:

- 27 فروری 2021 کو منعقدہ کمپنی کے 118 ویں بورڈ اجلاس میں جناب ریحان جمیل کو ایکو پیک لمیٹڈ کا ڈائریکٹر مقرر کیا گیا تاکہ جناب شاہان علی جمیل کے استعفے سے پیدا ہونے والی خالی جگہ کو پر کیا جا سکے۔
- بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے ڈائریکٹر جناب شاہان علی جمیل کی خدمات کو باقاعدہ طور پر سراہا۔ مزید برآں بورڈ نے نومنتخب ڈائریکٹر جناب ریحان جمیل کو خوش آمدید کہا۔

آڈیٹرز:

آڈیٹرز میسرز کے پی ایم جی تاثیر ہادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2021 کو ختم ہونے والے سال کے لیے بطور آڈیٹر مقرر کیا گیا تھا۔ آڈیٹر کمپنی کی آئندہ سالانہ جنرل میٹنگ کے اختتام پر ریٹائر ہو جائیں گے اور اہل ہونے کی وجہ سے، 30 جون 2022 کو ختم ہونے والے مالی سال کے لیے خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔

بورڈ نے میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو آئندہ مالی سال کے لیے کمپنی کے بیرونی آڈیٹر کے طور پر تقرری کی منظوری کے لیے اے جی ایم میں دینے کی سفارش کی ہے یہ تجویز بورڈ کی جانب سے ہر 3 سال بعد آڈیٹر تبدیل کرنے کی تفہیم کے مطابق کی گئی ہے۔

* کمپنیز ایکٹ 2017 کی دفعہ 188 کے مطابق چیف ایگزیکٹو اگر پہلے ہی کمپنی کا ڈائریکٹر نہیں ہے تو اسے اس کا ڈائریکٹر سمجھا جائے گا اور وہ اس دفتر کے تمام حقوق اور مراعات کا حقدار ہوگا اور اس دفتر کے تمام واجبات کے تابع ہوگا۔ جناب محمد رضا چنائے کو جناب حسین جمیل کے استعفے کے بعد 16 جون 2021 کو چیف ایگزیکٹو آفیسر (سی ای او) مقرر کیا گیا تھا اور اسی مناسبت سے انہیں ڈائریکٹر سمجھا گیا تھا۔ جناب حسین جمیل کو یکم جولائی 2021 کو کمپنی کا سی ای او دوبارہ مقرر کیا گیا۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

اسد علی شیخ	حُسین جمیل
ڈائریکٹر	چیف ایگزیکٹو آفیسر
25 ستمبر 2021	

جناب حسین جمیل	05
جناب علی جمیل	05
مسز سونیا جمیل	05
جناب اسد علی شیخ	05
جناب احسن جمیل	04
جناب ریحان جمیل	02
جناب شاہان علی جمیل	03
جناب محمد رضا چنائے (چیف ایگزیکٹو آفیسر/ ڈیمڈ ڈائریکٹر)*	کوئی نہیں

b) آڈٹ کمیٹی کے اجلاس:۔

اراکین کے نام	اجلاس میں شمولیت کی تعداد
جناب اسد علی شیخ	04
جناب عامر ظفر خان	04
جناب احسن جمیل	03
جناب شاہان علی جمیل	03
جناب علی جمیل	01

c) انسانی وسائل اور معاوضہ کمیٹی کے اجلاس:۔

اراکین کے نام	اجلاس میں شمولیت کی تعداد
جناب عامر ظفر خان	04
جناب حسین جمیل	04
جناب اسد علی شیخ	04
جناب علی جمیل	03
مسز سونیا جمیل	01
جناب احسن جمیل	02

11. ڈائریکٹرز، ڈائریکٹر کی شریک حیات، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور کمپنی سکریٹری کی جانب سے سال 2020-2021 کے دوران شیئرز کی خرید و فروخت حسب ذیل ہے:

نام	عہدہ	حصص کی تعداد، خرید/ (فروخت)
جناب عامر ظفر خان	ڈائریکٹر	کوئی نہیں
جناب حسین جمیل **	ڈائریکٹر	کوئی نہیں
جناب احسن جمیل	ڈائریکٹر	کوئی نہیں/ (162,000)
جناب علی جمیل	ڈائریکٹر	کوئی نہیں
جناب اسد علی شیخ	ڈائریکٹر	کوئی نہیں

b۔ نان ایگزیکٹوڈائریکٹرز

(1) جناب حسین جمیل (2) جناب احسن جمیل (3) جناب علی جمیل (4) جناب ریحان جمیل

c۔ ایگزیکٹوڈائریکٹر

جناب محمد رضا چنائے (چیف ایگزیکٹوآفیسر/ ڈیمڈ ڈائریکٹر)*

d۔ خاتون ڈائریکٹر

(1) مسز سونیا جمیل (نان ایگزیکٹوڈائریکٹر)

8. بورڈ نے ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دے دی ہے؛ اہم خصوصیات درج ذیل ہیں:

- بورڈ آف ڈائریکٹرز وقتاً فوقتاً بورڈ اراکین کے لیے بورڈ میٹنگز میں شمولیت کے عوض معاوضے کا تعین کرے گا اور منظوری دے گا۔ اس طرح کا معاوضہ معقول اور ذمہ داری کے مطابق اور بورڈ آف ڈائریکٹرز کے اراکین کی مہارت کے مطابق ہونا چاہیئے اور اس کا مقصد ایسے اراکین کے لیے کشش پیدا کرنا اور انہیں منسلک رکھنا ہے جن کی کمپنی کو کامیابی سے چلانے اور قدری اضافے کے لیے ضرورت ہے۔
- بورڈ آف ڈائریکٹرز کا کوئی اکلوتا رکن اپنے معاوضے کا خود تعین نہیں کرے گا۔
- بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز (آزاد اور غیر ایگزیکٹو) کو فیس ادا کی جاتی ہے اور بورڈ نے اس کی منظوری دے دی ہے۔ وہ اس طرح کے اجلاس میں شرکت کے لئے بورڈنگ، قیام اور سفر کی وجہ سے ہونے والے اخراجات کی ادائیگی حاصل کرنے کے بھی حقدار ہیں۔ سال کے دوران ڈائریکٹرز کو ادا کی جانے والی کل رقم منسلک مالیاتی گوشواروں کے نوٹ 36 میں ظاہر کی گئی ہے۔

9. بورڈ نے ذیل میں دیئے گئے اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

a) آڈٹ کمیٹی

(1)	جناب اسد علی شیخ	چیئرمین
(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	چیئرمین
(2)	جناب اسد علی شیخ	رکن
(3)	جناب حسین جمیل	رکن
(4)	جناب احسن جمیل	رکن
(5)	مسز سونیا جمیل	رکن

10. سال کے دوران 05 بورڈ آف ڈائریکٹرز، 04 آڈٹ کمیٹی اور 04 ایچ آر اور آر کمیٹی کے اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری ذیل میں دی گئی ہے:

a) بورڈ آف ڈائریکٹرز کے اجلاس:۔

ڈائریکٹرز کے نام	اجلاس میں شمولیت کی تعداد
جناب عامر ظفر خان	05

ڈائریکٹرز کی رپورٹ کے مطابق "ضمیمہ بی"

کارپوریٹ گورننس کے ضابطہ کی تعمیل:

ڈائریکٹرز کی ذمہ داریوں کا بیان:

1. انتظامیہ کے تیار کردہ مالیاتی گوشوارے، اس کے امور کی صورتحال، اس کی کارروائیوں کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی درست صورتحال پیش کرتے ہیں۔
2. باقاعدہ کھاتہ جات تیار کرکے اور سنبھال کے رکھے گئے ہیں۔
3. مالی گوشواروں کی تیاری میں موزوں کھاتہ جاتی پالیسیوں کو مسلسل نافذ کیا گیا ہے اور حساب کتاب کے تخمینے معقول اور محتاط اندازے پر مشتمل ہیں۔
4. مالیاتی گوشواروں کی تیاری کے دوران پاکستان میں قابل اطلاق بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور ان سے کسی قسم کے احتراز کے متعلق بتایا اور وضاحت کی گئی ہے۔
5. اندرونی کنٹرول کا نظام اپنی ہیئت میں مضبوط ہے اور اسے موثر انداز میں نافذ کیا گیا اور اس کی موثر نگرانی ہوتی ہے۔
6. کمپنی کا کاروبار جاری رکھنے کے لیے کمپنی کی صلاحیت کے متعلق کسی قسم کے واضح شکوک نہیں ہیں۔
7. کارپوریٹ گورننس کے بہترین طریقے سے کسی قسم کا احتراز نہیں کیا گیا جیسا کہ لسٹنگ کے قواعد و ضوابط میں تفصیل سے دیا گیا ہے۔

دیگر انکشافات:

1. گذشتہ چھ سال کے کلیدی آپریشنل اور مالیاتی اعداد و شمار کو اختصاری صورت میں ڈائریکٹرز رپورٹ کے ساتھ منسلکہ الف کے طور پر منسلک کیا گیا ہے۔
2. عمومی اور روزمرہ جاتی نوعیت کے اخرجات کے علاوہ دیگر آئینی نوعیت کے اخراجات اور ٹیکسوں کی ادائیگیوں کی مد میں بقایا جات واجب نہیں ہیں۔
3. کمپنی اپنے انتظامی ملازمین کے لئے شراکت داری پر مبنی پرووڈنٹ فنڈ اسکیم چلاتی ہے اور اپنے غیر انتظامی ملازمین کے لئے وضع کردہ مستفیدی گریجویٹی فنڈ اسکیم چلاتی ہے۔ 30 جون 2021 تک سرمایہ کاری کی قدر درج ذیل ہے:

   پرووڈنٹ فنڈ 8.43 ملین

   گریجویٹی فنڈ 1.14 ملین

بورڈ آف ڈائریکٹرز کے فیصلے کے مطابق، منیجمنٹ گریڈ کے عملے کیلئے گریجویٹی سکیم 31 دسمبر 2020 سے موثر طریقے سے بند کردی گئی اور اس طرح پرووڈنٹ فنڈ میں شراکت کو بنیادی تنخواہ کے سالانہ 12.92 فیصد تک بڑھا دیا گیا ہے، اور اس سے متعلقہ تمام فوائد کی ادائیگی فنڈ کے ذریعے ہوئی جس کی تفصیلات مالیاتی بیانات کے نوٹ 36 میں ظاہر ہوتی ہیں۔

4. کمپنی کی طرف سے کی جانے والی کاروباری سرگرمی کی وجہ سے ماحول پر کوئی منفی اثر نہیں پڑتا ہے۔
5. کاروباری سماجی ذمہ داری کے ضمن میں، مختلف خیراتی اداروں اور اسپتالوں کو سال کے دوران عطیات دیئے گئے، اس سلسلے میں 30 جون 2021 کو ختم ہونے والے مالی سال کے مالیاتی گوشواروں کے نوٹ نمبر 29.1 کو ملاحظہ کریں۔
6. بورڈ کی ہیت ترکیبی مندرجہ ذیل ہے:

   a۔ مرد : 07

   b۔ خواتین : 01
7. بورڈ کی ہیت ترکیبی مندرجہ ذیل ہے:

   a۔ آزاد ڈائریکٹرز

   (1) جناب اسد علی شیخ (2) جناب عامر ظفر خان

ANNEXURE - C
AS AT JUNE 30,2021

PATTERN OF SHARE HOLDING

Serial No	No. Of Shareholders	Shareholding		Total Shares Held	Percentage %
		From	To		
1	348	1	100	10,735	0.03%
2	881	101	500	277,342	0.73%
3	230	501	1000	186,896	0.49%
4	594	1001	5000	1,377,511	3.61%
5	52	5001	10000	389,547	1.02%
6	25	10001	15000	306,238	0.80%
7	10	15001	20000	192,651	0.50%
8	6	20001	25000	135,226	0.35%
9	6	25001	30000	167,156	0.44%
10	4	30001	35000	128,426	0.34%
11	2	35001	40000	70,255	0.18%
12	2	45001	50000	97,905	0.26%
13	1	70001	75000	70,992	0.19%
14	1	75001	80000	80,000	0.21%
15	1	85001	90000	85,268	0.22%
16	1	95001	100000	100,000	0.26%
17	1	115001	120000	120,000	0.31%
18	1	150001	155000	150,949	0.40%
19	1	155001	160000	160,000	0.42%
20	1	170001	175000	170,537	0.45%
21	2	195001	200000	400,000	1.05%
22	1	200001	205000	200,364	0.53%
23	1	220001	225000	225,000	0.59%
24	1	250001	255000	252,500	0.66%
25	1	395001	400000	400,000	1.05%
26	1	405001	410000	409,000	1.07%
27	1	440001	445000	440,500	1.15%
28	2	455001	460000	916,088	2.40%
29	1	465001	470000	468,080	1.23%
30	1	645001	650000	650,000	1.70%
31	1	795001	800000	800,000	2.10%
32	1	845001	850000	850,000	2.23%
33	1	895001	900000	896,500	2.35%
34	1	1495001	1500000	1,500,000	3.93%
35	1	1730001	1735000	1,734,182	4.55%
36	1	1995001	2000000	2,000,000	5.24%
37	1	2255001	2260000	2,256,800	5.92%
38	1	2275001	2280000	2,280,000	5.98%
39	1	2345001	2350000	2,349,671	6.16%
40	1	2815001	2820000	2,817,628	7.39%
41	2	3595001	3600000	7,200,000	18.87%
42	1	4820001	4825000	4,825,000	12.65%
	2193	**Total Shares Held**		**38,148,947**	**100.00%**

CATEGORIES OF SHAREHOLDERS

S.No	Name	Number of Share Holders	Total Shares Held	Percentage
1	**Directors, Chief Executive Officer, and their Spouse and Minor Children:-**			
	Mr. Hussain Jamil	1	6,559,182	17.194%
	Mr. Ali Jamil	1	28,177	0.074%
	Mr. Ahsan Jamil	1	1,107	0.003%
	Mr. Amar Zafar Khan	1	818	0.002%
	Mr. Asad Ali Sheikh	1	818	0.002%
	Mrs. Deborah Jamil	1	8,519	0.022%
	Mr. Raza Chinoy	1	818	0.002%
	Mrs. Sonya Jamil	1	514	0.001%
	Mr. Rehan Jamil	1	824	0.002%
	Sub-Total:	**9**	**6,600,777**	**17.303%**
2	**Associated Companies, Undertakings and related parties**	NIL	NIL	0.00%
3	**NIT AND ICP**			
	M/S. Investment Corporation Of Pakistan	1	154	0.000%
	Sub-Total:	**1**	**154**	**0.000%**
4	**Banks, Development Financial Institutions & Non Banking Financial Institutions:-**			
	National Development Fin.Corp.Investor	1	11,537	0.030%
	National Bank of Pakistan	1	392	0.001%
	Sub-Total:	**2**	**11,929**	**0.031%**
5	**Insurance Companies**	NIL	NIL	0.00%
6	**Modarabas And Mutual Funds:-**			
	Prudential Stock Fund Ltd.	1	189,990	0.498%
	First Equity Modaraba	1	4,000	0.010%
	Modaraba Al-Mali	1	24,594	0.064%
	CDC - Trustee NAFA Islamic Stock Fund	1	2,290	0.006%
	Sub-Total:	**4**	**220,874**	**1%**

CATEGORIES OF SHAREHOLDERS

S.No	Name	Number of Share Holders	Total Shares Held	Percentage
7	**Share holding 10% or more voting interest**			
	Mr. Hussain Jamil	**1**	**6,559,182**	17.194%
	Sub-Total:	**1**	**6,559,182**	**17.194%**
8	**General Public**			
	Local - Individuals	2,149	28,517,793	74.754%
	Sub-Total:	**2,149**	**28,517,793**	**74.754%**
	Foreign Investors:-			
	M/S Somers Nominee (Far East) Limited	1	10,232	0.027%
	Sub-Total:	**1**	**10,232**	**0.027%**
9	**Others**			
	Pearl Securities Limited - MF	1	1,000	0.003%
	Dr. Arslan Razaque Securities (Smc-Pvt)	1	1,761	0.005%
	Akhai Securities (Private) Limited	1	5	0.000%
	Fikree'S (Pvt) Ltd.	1	26,000	0.068%
	Prudential Securities Limited	2	991	0.003%
	JS Global Capital Limited - MF	1	2,500	0.007%
	Maple Leaf Capital Limited	1	1	0.000%
	Muhammad Ahmed Nadeem Securities (Smc-Pvt)	1	825	0.002%
	Federal Board Of Revenue	1	458,588	1.202%
	S.A. Prosperity (Pvt.) Ltd.	1	115	0.000%
	Capital Financial Services (Pvt.) Ltd.	1	2,500	0.007%
	Mam Securities (Pvt) Limited	1	161	0.000%
	ASDA Securities (Pvt.) Ltd.	1	457,500	1.199%
	Mra Securities Limited - Mf	1	896,500	2.350%
	Dawood Equities Limited- Mf	2	10,000	0.026%
	Axis Global Limited - Mf	1	500	0.001%
	Y.S. Securities (Private) Limited	1	1,147	0.003%
	Shaffi Securities (Pvt) Limited	1	94	0.000%
	Interactive Securities (Pvt.) Ltd.	1	32,000	0.084%
	Maan Securities (Private) Limited	1	650,000	1.704%
	Ncc - Pre Settlement Delivery Account	1	10,500	0.028%
	R.T. Securities (Pvt.) Ltd.	1	200,000	0.524%
	CEDAR Capital (Private) Limited - MF	1	10,000	0.026%
	N. U. A. Securities (Private) Limited - MF	1	5,000	0.013%
	Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. - MF	1	19,500	0.051%
	Sub-Total:	**27**	**2,787,188**	**7.306%**
	Grand Total:	**2,193**	**38,148,947**	**100%**

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF ECOPACK LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ecopack Limited for the year ended 30 June 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 30 June 2021.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the note 7 where it is stated in the Statement of Compliance:

Reference	**Description**
i. Chapter III Regulation 12	We have noted that the Company has not circulated a copy of the draft minutes of two board meetings to the board members within fourteen days of the date of the meeting as required under section 178(4) of the Companies Act, 2017.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: **October 6, 2021**

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company : **EcoPack Limited**
Year Ending : **30th June 2021**

The Company has complied with the requirements of the Regulations in the following manner:-

1. The total number of Directors are eight as per the following:
   a. Male : 07
   b. Female : 01
2. The composition of the Board is as follows:
   i. Independent Directors
   (1) Mr. Amar Zafar Khan
   (2) Mr. Asad Ali Sheikh
   ii. Non-executive Directors
   (1) Mr. Hussain Jamil
   (2) Mr. Ali Jamil
   (3) Mr. Rehan Jamil
   (4) Mr. Ahsan Jamil
   iii. Executive Directors
   Mr. Mohammad Raza Chinoy (Chief Executive Officer, Deemed Director)*
   iv. Female Directors
   Mrs. Sonya Jamil (Non-executive director)
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies, along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders, as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board; However, draft minutes of few board meetings conducted during the year were circulated to board members after 14 days of the meeting.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Four of the Directors of the Company had obtained certification under directors training program in previous years whereas none of the directors attended directors' training program in current year.
10. The Board has approved appointment of chief financial officer, Company secretary and head of internal audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;

11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below,-

a) Audit Committee

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

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

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following,-

a)	Audit Committee	(4 meetings held)
b)	HR and Remuneration Committee	(4 meetings held)

15. The Board has outsourced the internal audit function to M/s BDO Ebrahim & Co. who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6**, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

    * As per section 188 of the Companies Act, 2017, The chief executive shall if he is not already a director of the company, be deemed to be its director and be entitled to all the rights and privileges, and subject to all the liabilities, of that office. Mr. Mohammad Raza Chinoy was appointed as Chief Executive Officer (CEO) on June 16, 2021, following the resignation of Mr. Hussain Jamil and accordingly deemed as a director. Mr. Hussain Jamil was reappointed as CEO of the Company on July 1, 2021.

    ** Regulation 6; Number of Directors are 8 and one third is 2.66 and 0.66 is not rounded up to one as the Company believes that having two elected independent Directors with requisite competencies, skills, knowledge and experience is adequate to exercise independence in decision making within the Board hence, appointment of a third independent director is not warranted.

AMAR ZAFAR KHAN
Chairman

Date: **September 25, 2021**

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ECOPACK LIMITED
REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Ecopack Limited (the Company), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

S. No.	Key audit matter	How the matters were addressed in our audit
1.	**Recognition of Revenue** *(Refer to note 4.10 to the financial statements)* The Company is engaged in the production and sale of PET Preforms and PET Bottles. The Company recognized gross revenue from the sales of PET preforms of Rs. 2,025,987 thousand and from the sale of	Our audit procedures to assess the recognition of revenue, amongst others included the following: • obtaining an understanding of the process relating to recognition of revenue and testing the design, implementation and operating effectiveness of key internal controls over recording of revenue;

	PET bottles of Rs. 1,605,610 thousand for the year ended 30 June 2021. We identified recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and gives rise to an inherent risk that revenue could be subject to misstatement to meet expectations or targets.	• comparing a sample of revenue transactions recorded during the year with sales orders, sales tax invoices, delivery challans / notes and other relevant underlying documents; • comparing a sample of revenue transactions recorded around the year end with the sales orders, sales tax invoices, delivery challans / notes and other relevant underlying documents to assess if the related revenue was recorded in the appropriate accounting period; • comparing the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation; • assessing the appropriateness of the accounting policy for revenue recognition and comparing with the applicable accounting and reporting standards; and • assessing the adequacy of disclosures related to revenue as required under applicable accounting and reporting standards.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Riaz Pesnani.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
Chartered Accountants
Islamabad
Date: **October 6, 2021**

Statement of Financial Position

As at 30 June 2021

	Notes	30 June 2021	30 June 2020	01 July 2019
ASSETS		---------- Rupees in '000 ----------		
Non-Current Assets			Restated	Restated
Property, plant and equipment	5	**1,336,883**	1,408,042	1,426,872
Intangibles	6	**5,291**	6,105	6,623
Advance for capital expenditure		**-**	-	18,207
Long term deposits		**12,209**	12,209	12,143
		1,354,383	1,426,356	1,463,845
Current Assets				
Inventories	7	**442,389**	297,598	388,069
Trade debts	8	**228,181**	214,694	402,706
Loans and advances	9	**39,521**	31,183	123,641
Deposits, prepayments and other receivables		**4,722**	7,381	13,973
Advance tax - net	10	**36,767**	77,433	103,823
Short term investments	11	**7,125**	-	-
Cash and bank balances	12	**28,697**	20,278	35,513
		787,402	648,567	1,067,725
Total assets		**2,141,785**	2,074,923	2,531,570
SHARE CAPITAL AND RESERVES				
Share capital	13	**381,489**	381,489	346,809
Revaluation surplus on operating fixed assets	14	**121,233**	138,582	144,962
Unappropriated profits		**347,347**	284,558	415,651
		850,069	804,629	907,422
LIABILITIES				
Non-Current Liabilities				
Long term loans	15	**139,511**	91,816	66,667
Deferred grant	16	**2,152**	3,123	-
Lease liabilities	17	**107,703**	195,660	200,636
Employee benefits	18	**33,979**	104,884	126,996
Deferred tax liabilities - net	19	**22,145**	49,311	129,234
		305,490	444,794	523,533
Current Liabilities				
Trade and other payables	20	**212,608**	239,665	203,452
Unclaimed dividend		**2,761**	2,719	2,527
Short term borrowings	21	**595,040**	525,209	737,682
Current portion of non-current liabilities	22	**175,817**	57,907	156,954
		986,226	825,500	1,100,615
Total equity and liabilities		**2,141,785**	2,074,923	2,531,570
CONTINGENCIES AND COMMITMENTS	23			

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Statement of Profit or Loss

For the year ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		----- Rupees in '000 -----	
Sales - net	24	**3,100,689**	3,053,947
Cost of sales	25	**(2,798,092)**	(2,905,983)
Gross profit		**302,597**	147,964
Other income	26	**13,636**	16,469
Selling expenses	27	**(26,552)**	(27,878)
Administrative expenses	28	**(100,046)**	(95,786)
Reversal of impairment loss on trade debts	8.1	**646**	1,979
Other expenses	29	**(31,119)**	(30,416)
		(143,435)	(135,632)
Operating profit		**159,162**	12,332
Finance costs	30	**(92,659)**	(157,213)
Profit / (loss) before taxation		**66,503**	(144,881)
Income tax (charge) / credit	31	**(20,389)**	41,181
Profit / (loss) for the year		**46,114**	(103,700)
Earnings / (loss) per share-basic and diluted - Rupees		**1.21**	(2.72)

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Statement of Comprehensive Income

For the year ended 30 June 2021

	Notes	30 June 2021	30 June 2020
		----- Rupees in '000 -----	
Profit / (loss) for the year		**46,114**	(103,700)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
- Surplus on revaluation of operating fixed assets		**-**	21,700
Related tax		**-**	(6,018)
		-	15,682
- Reversal of surplus on recognition of impairment loss on idle machinery		**-**	(11,497)
Related tax		**-**	3,334
		-	(8,163)
- Remeasurements of defined benefit liability	*18.8*	**(949)**	15,110
Related tax		**275**	(4,382)
		(674)	10,728
Total comprehensive income / (loss) for the year		**45,440**	(85,453)

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Statement of Changes in Equity

For the year ended 30 June 2021

	Share Capital	Revaluation surplus on operating Fixed Assets	Revenue Reserve-Unappropriated profits	Total Equity
	------------------------------ (Rupees in '000) ------------------------------			
Balance as at 1 July 2019	**346,809**	**144,962**	**415,651**	**907,422**
Total comprehensive income for the year				
Loss for the year	-	-	(103,700)	(103,700)
Other comprehensive income for the year	-	7,519	10,728	18,247
	-	7,519	(92,972)	(85,453)
Transfer of incremental depreciation - net of deferred tax	-	(13,899)	13,899	-
Transactions with owners of the Company				
Distributions				
Issuance of bonus shares @ 10%	34,680	-	(34,680)	-
Final dividend @ 5% for the year ended 30 June 2019	-	-	(17,340)	(17,340)
Total distributions	34,680	-	(52,020)	(17,340)
Balance as at 30 June 2020	**381,489**	**138,582**	**284,558**	**804,629**
Balance as at 01 July 2020	381,489	138,582	284,558	804,629
Total comprehensive income for the year				
Profit for the year	-	-	46,114	46,114
Other comprehensive income for the year	-	-	(674)	(674)
	-	-	45,440	45,440
Transfer of incremental depreciation - net of deferred tax	-	(15,485)	15,485	-
Transfer of surplus upon disposal of operating fixed assets - net of deferred tax		(1,864)	1,864	-
Balance as at 30 June 2021	**381,489**	**121,233**	**347,347**	**850,069**

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer **Chief Executive Officer** **Director**

Statement of Cash Flows

For the year ended 30 June 2021

	Notes	2021	2020
		----- Rupees in '000 -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		**66,503**	(144,881)
Adjustments for:			
Depreciation and amortization	25 & 28	**129,493**	135,343
Loss / (gain) on disposal of operating fixed assets	29	**16,228**	(277)
Provision for Workers' Welfare Fund	29	**716**	-
Provision for Workers' Profits Participation Fund	29	**3,676**	-
Other receivables written off	29	**-**	1,382
Provision for contingencies	29	**9,341**	-
Provision for Cash settled share-based payment transaction		**2,608**	(122)
Reversal of impairment loss on trade debts	8.1	**(646)**	(1,979)
Impairment loss on operating fixed assets - idle machine	29	**-**	13,166
Charge for staff retirement benefit - gratuity	18.7	**11,525**	27,535
Finance costs	30	**92,659**	157,213
		332,103	187,380
Changes in:			
Inventories		**(144,791)**	90,471
Trade debts		**(12,841)**	189,991
Loans and advances		**(8,338)**	92,458
Deposits, prepayments and other receivables		**2,659**	5,210
Trade and other payables		**(40,790)**	41,955
Long-term deposits		**-**	(66)
		(204,101)	420,019
Cash generated from operating activities		**128,002**	607,399
Finance cost paid - short-term borrowings		**(70,197)**	(108,381)
Contributions to gratuity fund	18.3	**(82,200)**	(34,415)
Payment of Cash settled share-based payment transaction		**(3,787)**	-
Payment to Workers' profit participation fund		**-**	(5,742)
Income taxes paid	10	**(6,614)**	(19,419)
Net cash (used in) / generated from operating activities		**(34,796)**	439,442
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		**(86,682)**	(117,356)
Advance for capital expenditure		**-**	18,207
Short term investments made	11	**(7,125)**	-
Proceeds from disposal of operating fixed assets		**15,691**	940
Acquisition of intangible assets		**-**	(279)
Net cash used in investing activities		**(78,116)**	(98,488)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal repayment of lease liabilities	17	**(41,221)**	(46,435)
Interest on unclaimed dividend account / (dividends paid)		**42**	(17,148)
Proceeds from short-term borrowings		**1,947,702**	2,042,205
Repayment of short term borrowings		**(1,828,447)**	(2,281,962)
Proceeds from long-term loans		**141,659**	35,918
Repayment of long-term loans		**(25,474)**	(65,000)
Finance cost paid on long-term loans and lease liabilities		**(32,559)**	(50,773)
Net cash generated from / (used in) financing activities		**161,702**	(383,195)
Net increase / (decrease) in cash and cash equivalents		**48,790**	(42,241)
Cash and cash equivalents at beginning of the year		**(20,093)**	22,148
Cash and cash equivalents at end of the year	33	**28,697**	(20,093)

The annexed notes 1 to 44 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Notes of the Financial Statements

For the year ended 30 June 2021

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.

Geographical location and address of business unit / plant:

Location	Address	Purpose
Hattar	Plot - 112,113, Phase V, Hattar Industrial Estate, Hattar, KPK	Registered office and factory
Rawalpindi	19, Citi villas Near High Court Road	Head Office
Lahore	5, 1st Floor Al Hafeez View Gulberg III	Sales & Marketing
Karachi	Suite # 306, 3rd Floor, Clifton Diamond, Block - 4, Clifton	Administration Office

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017 (the Act), and

- provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for following items which are measured on an alternative basis on each reporting date.

Items	Measurement basis
Liabilities for cash-settled share-based payment arrangements	Fair Value
Net defined benefit liability	Present value of the defined benefit obligation
Property, plant and equipment	Revalued amount (land, building and owned machinery)

2.3 Functional and presentation currency

These financial statements are presented in Pakistan Rupees, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgments

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

		Note
(i)	Useful life and residual values of property, plant and equipment	4.1
(ii)	Provision for slow moving and obsolete stores, spares and loose tools	4.3.1 & 4.3.2
(iii)	Provision for staff retirement benefits - key actuarial assumptions	4.7
(iv)	Provision for taxation and recognition of deferred tax assets	4.10
v)	Measurement of ECL allowance for trade receivables	4.5
vi)	Provisions and contingencies	4.15

2.5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. 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.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 above that are observable market data 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 (i.e. unobservable inputs).

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.

3. STANDARDS ISSUED BUT NOT YET EFFECTIVE

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 01 July 2021:

- Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after 1 January 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met. The amendment is not likely to have an impact on the Company's financial statements.

- COVID-19-Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after 1 June 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

  The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before 30 June 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022.

  Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

  - the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

  - any reduction in lease payments affects only payments originally due on or before 30 June 2022; and

  - there is no substantive change to the other terms and conditions of the lease.

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

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after 1 January 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. The amendment is not likely to have an impact on the Company's financial statement.

Annual improvements to IFRS standards 2018-2020

- The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after 1 January 2022.

  - IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

  - IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

  - IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after 1 January 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

- Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3 . An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

- Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after 1 January 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:
  - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
  - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
  - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after 1 January 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

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

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property, plant and equipment

Owned

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

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

(iii) Derecognition

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

(iv) Depreciation

Depreciation is charged to statement of profit or loss applying either straight line method or written down value method whereby the cost or revalued amount of an asset less its estimated residual value, if any, is written off over its useful life at the rates specified in note 5.1 to the financial statements. Depreciation on additions is charged for the full month in which asset is available for use and no depreciation is charged for the month in which asset is disposed off.

The assets' residual values, depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each financial year end. The Company's estimate of residual value of property and equipment as at 30 June 2021 did not require any adjustment as its impact is considered insignificant.

Right-of-use assets

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using either the straight-line method or reducing balance method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

4.2 Intangible assets

(i) Recognition and measurement

Intangible assets are stated at cost less accumulated amortization and impairment losses, if any. An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably. Intangible assets having finite useful lives are stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost represents price equivalent to the consideration given, i.e., cash and cash equivalent paid.

(ii) Subsequent expenditure

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is expensed as incurred.

(iii) Amortization

Intangible assets are amortized using the straight line method over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

4.3 Inventories

Inventories comprise of stores, spares, loose tools and stock-in-trade:

4.3.1 Stores, spares and loose tools

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

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

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

4.3.2 Stock-in-trade

Raw materials and packing materials are valued at weighted average cost and finished goods are valued at lower of weighted average cost and net realizable value. Raw material and packing material in transit are valued at invoice value plus other charges paid thereon.

Work-in-process is valued at weighted average cost of raw materials including a proportionate of manufacturing overheads. Cost of finished goods includes an appropriate share of production overheads based on normal operating capacity.

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

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

4.4 Financial Instruments

(i) Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Financial assets :

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

— it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL.

On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment :

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - Classification, subsequent measurement and gains and losses :

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(iii) Derecognition

Financial assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of modified liability are substantially different, in which case a new financial liability is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position, if the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

4.5 Impairment

(i) Non-derivative financial assets

The Company recognizes loss allowances for Expected Credit Losses (ECLs) on financial assets measured at amortized cost. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The Company measures loss allowances at an amount equal to lifetime ECLs. For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, instead recognizes a loss allowance based on lifetime ECLs at each reporting date.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the counter party is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or

- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

Measurement of ECLs :

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets:

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the counterparty;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the counterparty will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position:

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets and charged to profit or loss.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

(ii) Non-Financial Assets

At each reporting date, the company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.6 Leases liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate can not be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payments in the measurement of the lease liability comprise the following:

a. fixed payments, including in-substance fixed payments;
b. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
c. amounts expected to be payable under a residual value guarantee; and
d. the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Sale and lease back arrangements

In the case of a sale and lease back transaction, the Company determines whether or not control of the asset has been transferred. If control of the asset has been transferred, the Company measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Company. If Control has not been transferred, then the Company continue to recognise the transferred asset and recognise a financial liability equal to the transfer proceeds.

4.7 Staff Benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Share-based payment arrangements

An entity recognizes a cost over the vesting period and a corresponding liability. Measurement is based on the fair value of the liability at each reporting date, and it is remeasured until settlement date. The share-based payment is classified and accounted for as either equity-settled or cash-settled, depending on whether the entity has a present obligation to settle in cash.

(iii) Defined contribution plans

A defined contribution plan is a post employment benefit plan under which the Company pays fixed contribution into a separate entity and will have no legal and constructive obligation to pay further amounts. Obligation for contributions to defined contribution plans are recognized as an employee benefit expense in statement of profit or loss when they are due. The Company also operates an approved funded contributory provident fund for its permanent employees. Equal monthly contributions are made both by the Company and the employees at the rate of 12.92% per annum of the basic salary. Company's contributions are charged to statement of profit or loss.

(iv) Defined benefit plans

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

Pursuant to the decision of Board of Directors, gratuity scheme for the management grade staff has been discontinued effective from 31 December 2020 and thereby contributions to the provident fund has been increased to 12.92% per annum of the basic salary, and all the related benefits were paid off by the fund.

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

All actuarial gains and losses arising on valuation are charged to other comprehensive income.

4.8 Taxation

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in statement of comprehensive income or equity.

(ii) Current tax

Provision for current tax is based on taxable income for the year at the applicable tax rates after taking into account tax credit and tax rebates, if any and any adjustment to tax payable in respect of previous year.

(iii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits, minimum tax paid and deductible temporary differences to the extent it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this assumption. Deferred tax assets and liabilities are offset if certain criteria are met.

4.9 Borrowing costs

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

4.10 Revenue from contracts with customers

Customers obtain control of PET bottles and PET preforms when these are delivered to and have been accepted at their premises. Invoices are generated at that point in time. Invoices are usually payable within 30-90 days. No material discounts are provided against sale of these good. Some contracts permit the customer to return an item. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered.

Revenue is recognized when the goods are delivered and have been accepted by customers at their premises. For contracts that permit the customer to return an item, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for expected returns, which are estimated based on the historical data for specific type of product and size etc. In these circumstances, a refund liability and a right to recover returned goods asset are recognized. The 'right to recover returned goods' asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. Based on historical data, no refund liability and the right to recover returned goods is recognized. The Company reviews its estimate of expected returns at each reporting date and updates the amounts of the asset and liability accordingly.

4.11 Foreign currency transactions and translation

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss and presented within finance costs.

4.12 Dividend

Dividend distribution to the Company's shareholders and appropriation to reserves are recognized as a liability in the financial statements in the period in which these are approved. Transfer between reserves made subsequent to the date of statement of financial position is considered as a non-adjusting event and is recognized in the financial statements in the period in which such transfers are made.

4.13 Provisions

A provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre-tax rate that reflects current market assessment of the time value of the money and the risk specific to the obligation. Provisions are reviewed at each statement of financial position date and adjusted to reflect current best estimate.

4.14 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.

4.15 Government Grant

Recognition and measurement :

The loan obtained under the refinance scheme from State Bank of Pakistan is received at below market interest rate. The benefit of below market interest is accounted for as government grant under IAS-20. The benefit is measured as the difference between the initial carrying value of the loan (i.e. fair value of the loan) and the proceeds received. The amount of grant is recognised and presented in the statement of financial position as 'deferred grant'.

Subsequent measurement

In subsequent years, the grant is recognised in the statement of profit or loss, in line with the recognition of interest expenses as the grant is compensating. The amount is presented as reduction of related interest expense.

4.16 Finance Costs

The Company's Finance Cost represents interest expense on short and long term borrowings and lease liabilities. Interest expense is recognised using the effective interest method whereby the effective interest rate is applied to the amortized cost of the liability.

	Note	**2021**	2020
		----- Rupees in '000 -----	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*5.1*	**1,312,560**	1,385,013
Capital machines' spares	*5.6*	**24,323**	23,029
		1,336,883	1,408,042

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

5.1 OPERATING FIXED ASSETS

	Owned								Right of use Assets				
	Lease-hold land	Factory building and roads on lease-hold land	Plant and machinery	Vehicles	Factory equipment	Furniture and fittings	Office equipment	Sub total	Plant and machinery	Vehicles	Sub total	Capital work in progress	Total
	Rupees'000												
Cost / revalued amounts													
Balance as at 01 July 2019	23,750	131,576	1,492,436	11,583	452,132	4,790	26,356	2,142,623	412,082	31,972	444,054	-	2,586,677
Additions	-	1,224	47,997	154	20,583	-	4,421	74,379	-	1,865	1,865	37,033	113,277
Revaluation surplus	950	4,934	15,817	-	-	-	-	21,701	-	-	-	-	21,701
Disposals	-	-	(600)	(727)	-	-	-	(1,327)	-	-	-	-	(1,327)
Transfers	-	-	36,098	-	-	-	-	36,098	-	-	-	(36,098)	-
Balance as at 30 June 2020	24,700	137,734	1,591,748	11,010	472,715	4,790	30,777	2,273,474	412,082	33,837	445,919	935	2,720,328
Balance as at 01 July 2020	**24,700**	**137,734**	**1,591,748**	**11,010**	**472,715**	**4,790**	**30,777**	**2,273,474**	**412,082**	**33,837**	**445,919**	**935**	**2,720,328**
Additions	**-**	**-**	**58,954**	**156**	**21,414**		**3,724**	**84,248**	**-**	**529**	**529**	**3,368**	**88,145**
Disposals	**-**	**-**	**(131,553)**	**-**	**-**	**-**	**(85)**	**(131,638)**	**-**	**-**	**-**	**-**	**(131,638)**
Transfers	**-**	**-**	**1,295**	**-**	**-**	**-**	**-**	**1,295**	**-**	**2,568**	**2,568**	**(3,863)**	**-**
Balance as at 30 June 2021	**24,700**	**137,734**	**1,520,444**	**11,166**	**494,129**	**4,790**	**34,416**	**2,227,379**	**412,082**	**36,934**	**449,016**	**440**	**2,676,835**
Accumulated depreciation / Impairment													
Balance as at 01 July 2019	-	45,488	724,712	4,966	338,680	3,429	16,235	1,133,510	32,932	10,328	43,260	-	1,176,770
Charge for the year	-	4,386	66,776	3,495	28,863	136	2,249	105,905	26,373	2,268	28,641	-	134,546
Impairment loss on Idle machine	-	-	24,663	-	-	-	-	24,663	-	-	-	-	24,663
On disposals	-	-	(16)	(648)	-	-	-	(664)	-	-	-	-	(664)
Balance as at 30 June 2020	-	49,874	816,135	7,813	367,543	3,565	18,484	1,263,414	59,305	12,596	71,901	-	1,335,315
Balance as at 01 July 2020	**-**	**49,874**	**816,135**	**7,813**	**367,543**	**3,565**	**18,484**	**1,263,414**	**59,305**	**12,596**	**71,901**	**-**	**1,335,315**
Charge for the year	**-**	**4,407**	**66,429**	**659**	**24,020**	**123**	**2,156**	**97,794**	**26,372**	**4,513**	**30,885**	**-**	**128,679**
On disposals	**-**	**-**	**(99,656)**	**-**	**-**	**-**	**(63)**	**(99,719)**	**-**	**-**	**-**	**-**	**(99,719)**
Balance as at 30 June 2021	**-**	**54,281**	**782,908**	**8,472**	**391,563**	**3,688**	**20,577**	**1,261,489**	**85,677**	**17,109**	**102,786**	**-**	**1,364,275**
Carrying amounts - 2021	**24,700**	**83,453**	**737,536**	**2,694**	**102,566**	**1,102**	**13,839**	**965,890**	**326,405**	**19,825**	**346,230**	**440**	**1,312,560**
Carrying amounts - 2020	24,700	87,860	775,613	3,197	105,172	1,225	12,293	1,010,060	352,777	21,241	374,018	935	1,385,013
Rates of depreciation (per annum)	-	5%-10%	5%-20%	20%	10%-40%	10%	10%-33%		8%	20%			

		Note	2021	2020
			------ Rupees in '000' ------	
5.2	**Depreciation charge has been allocated as follows:**			
	Cost of sales	*25*	**119,448**	124,683
	Administrative expenses	*28*	**9,231**	9,863
			128,679	134,546

5.3 Latest revaluation of the Company's assets was carried out on 31 May 2020 by M/s Iqbal A.Nanjee & Co (Private) Limited, independent valuers, taking market value / depreciated replacement cost, as applicable, as a basis of valuation. The revaluation resulted in a net surplus of Rs. 21.7 million. The fair value when determined falls under level 3 hierarchy. Sensitivity analysis has not been presented since data about observable input is not available. The incremental values resulting from revaluation are being depreciated over the remaining useful lives of the respective assets.

The forced sale value of the revalued plant and machinery, factory building and roads, and leasehold land at the date of revaluation was Rs. 640.885 million, Rs. 70.597 million and Rs. 19.760 million respectively.

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

	2021	2020
	------ Rupees in '000' ------	
Leasehold land	**2,995**	2,995
Factory building and roads on leasehold land	**52,446**	55,282
Plant and machinery- owned	**629,586**	644,798
	685,027	703,075

5.5 All the disposals were made in accordance with the Company's policy. Particulars of operating fixed assets disposed off during the year that had an aggregate net book value greater than Rs. 5 million are as follows:

(i) Husky injection machine with accessories

Cost	Book value	Sale value	(Loss) on disposal	Purchaser	Mode of disposal
------------------------- Rupees in '000' -------------------------					
130,953	31,367	15,791	(15,576)	Machine point consultant (Spain) *	Negotiation

** Machine point consultant has no direct relationship with Company or any of Company's directors.*

		Note	2021	2020
5.6	**Capital machines' spares**		------ Rupees in '000' ------	
	Gross carrying value	*7.1*	**24,753**	23,459
	Provision for impairment		**(430)**	(430)
			24,323	23,029

5.7 Particulars of immovable property (i.e. land and building) in the name of the Company are as follows:

Location	Usage of property	Total area (in sq. ft.)
Plot - 112,113, Phase V, Hattar Industrial Estate, Hattar, KPK.	Registered office and factory	102,507

	Note	2021	2020
6. INTANGIBLES - ERP Software	*Note*	------ Rupees	in '000' ------
Cost			
Opening balance		**9,321**	9,042
Additions		**-**	279
		9,321	9,321
Accumulated amortization			
Opening balance		**(3,216)**	(2,419)
Amortization for the year		**(814)**	(797)
		(4,030)	(3,216)
Closing balance		**5,291**	6,105
Rate of amortization (per annum)		**10%**	10%
Amortization method		**Straight line**	Straight line

	Note	2021	2020
7. INVENTORIES			
Stores, spares and loose tools	*7.1*	**67,607**	61,790
Raw materials		**106,102**	74,183
Packing materials		**23,471**	14,874
Work in process	*7.2*	**203,474**	99,846
Finished goods	*7.2*	**43,929**	48,077
		444,583	298,770
Allowance for obsolete stocks	*7.3*	**(2,194)**	(1,172)
		442,389	297,598

	2021	2020
7.1 Stores, spares and loose tools		
Stores and spares	**100,231**	93,249
Loose tools	**2,544**	2,415
	102,775	95,664
Provision against slow moving stores and spares	**(10,415)**	(10,415)
Capital spares transferred to property, plant and equipment	**(24,753)**	(23,459)
	67,607	61,790

7.2 This includes stock having cost of Rs. 24.14 million (2020: Rs. 43.04 million) carried at net realizable value of Rs. 23.67 million (2020: Rs. 20.94 million).

	Note	2021	2020
7.3 Allowance for obsolete stocks	*Note*	------ Rupees	in '000' ------
Balance as at 1 July		**1,172**	955
Provision for the year		**1,022**	217
Balance as at 30 June		**2,194**	1,172

8. TRADE DEBTS

	Note	2021	2020
		------ Rupees in '000' ------	
Trade debts - unsecured		**232,616**	219,775
Allowance for impairment	*8.1*	**(4,435)**	(5,081)
		228,181	214,694

8.1 Allowance for impairment

	2021	2020
Balance as at 1 July	**5,081**	7,060
Net remeasurement of loss allowance	**(646)**	(1,979)
Balance as at 30 June	**4,435**	5,081

8.2 Information about the Company's exposure to credit and market risks, and impairment losses for trade debts is included in note 38.

9. LOANS AND ADVANCES

	Note	2021	2020
		------ Rupees in '000' ------	
Considered good			
Advance to suppliers - unsecured	*9.1*	**32,195**	22,772
Advances for expenses		**3,127**	3,879
Loans to employees - secured against staff retirement benefit (gratuity)		**4,199**	4,532
		39,521	31,183

9.1 This includes advances amounting to Rs. 0.31 million (2020: Rs. 2.9 million) to foreign suppliers for purchase of items of store and spares in normal course of business of the Company. Detail of major suppliers is as follows:

Name of Supplier & Country	Foreign currency		Rupees	
	2021	2020	**2021**	2020
	-------------------- **'000** --------------------			
- Jiangxi Saithing Chemical Packing Co., Ltd (China)	**CNY 12.53**	-	**310**	-
- Husky Injection Molding System Ltd. (England)	**-**	EUR 9	**-**	1,554
			310	1,554

10. ADVANCE TAX - NET

	Note	2021	2020
		------ Rupees in '000' ------	
			Restated
Advance tax as at 01 July		**77,433**	103,823
Advance tax paid during the year		**6,614**	19,419
Tax charge for the year	31	**(47,280)**	(45,809)
Advance tax as at 30 June		**36,767**	77,433

11. SHORT TERM INVESTMENTS

This represents Term Deposit Receipt (TDR) of Bank AL Habib Limited (the Bank) carrying mark up of 6.10% per annum and maturing on 2 November 2021. This has been held as margin against Bank Guarantee issued by the Bank in favour of Sui Northern Gas Pipelines Limited as mentioned in Note 23.3.

12. CASH AND BANK BALANCES

	Note	2021	2020
		------ Rupees in '000' ------	
Cash at bank			
- in saving account	12.1	**2,760**	360
- in current accounts		**25,837**	19,818
		28,597	20,178
Cash in hand		**100**	100
		28,697	20,278

12.1 This carries mark-up at 5.36% (2020: 11.25%) per annum.

13. SHARE CAPITAL

13.1 Authorized share capital

This represents 50,000,000 (2020: 50,000,000) ordinary shares of Rs. 10 each.

13.2 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021	2020		Note	2021	2020
---------- Number ----------				------ Rupees in '000' ------	
10,262,664	10,262,664	Ordinary shares of Rs. 10/- each issued against cash		**102,627**	102,627
27,886,283	27,886,283	Ordinary shares of Rs. 10/- each issued as fully paid bonus shares		**278,862**	278,862
38,148,947	38,148,947			**381,489**	381,489

13.2.1 Movement in issued, subscribed and paid-up capital

2021	2020		2021	2020
---------- Number ----------				
38,148,947	34,680,911	Balance as at 1 July	**381,489**	346,809
-	3,468,036	Bonus shares issued during year	**-**	34,680
38,148,947	38,148,947	Balance as at 30 June	**381,489**	381,489

13.2.2 Closing number of shares include 6,592,258 (2020: 7,915,125) ordinary shares of Rs. 10 each held by the Directors of the Company.

13.2.3 All ordinary shareholders have same rights regarding voting, board selection, right of first refusal and block voting.

		Note	2021	2020
			------ Rupees in '000' ------	
14.	**REVALUATION SURPLUS ON OPERATING FIXED ASSETS**			
	Gross surplus			
	Balance as at 01 July		**185,098**	194,471
	Surplus on revaluation of operating fixed assets		**-**	21,700
	Reversal of surplus on recognition of impairment loss on idle machinery		-	(11,497)
	Transfer of surplus to unappropriated profits upon disposals of operating fixed assets		**(2,625)**	-
	Incremental depreciation transferred to unappropriated profits		**(21,810)**	(19,576)
			160,663	185,098
	Related deferred tax charge			
	Balance as at 01 July		**(46,516)**	(49,509)
	Deferred tax on recognition of revaluation surplus for the year		**-**	(6,018)
	Deferred tax on reversal of revaluation surplus for the year		-	3,334
	Deferred tax on operating fixed assets disposed off		**761**	-
	Deferred tax on incremental depreciation charged during the year		**6,325**	5,677
			(39,430)	(46,516)
			121,233	138,582

		Note	2021	2020
15.	**LONG TERM LOANS**			
	Loans from banking companies - secured			
	Askari Bank Limited	*15.1 & 15.6*	**44,093**	-
	Bank Al-Habib Limited - I	*15.2*	**68,000**	72,000
	Bank Al-Habib Limited - II	*15.3 & 15.6*	**34,220**	-
	JS Bank Limited	*15.5 & 15.6*	**39,206**	32,795
	PAIR Investment Company Limited	*15.4*	**32,555**	-
			218,074	104,795
	Less: current portion of long term loans	*22*	**(78,563)**	(12,979)
			139,511	91,816

15.1 This represents subsidized rate Term Finance obtained under State Bank of Pakistan’s (SBP) Refinance Scheme for Payment of Wages and Salaries to combat effect of COVID 19. Tenor of the loan is 2 years and 6 months (inclusive of 6 month grace period started from July 2020). The loan is repayable in 8 equal quarterly installments starting from January 2021. It carries mark-up at SBP Rate plus 2% p.a. payable quarterly. The loan is secured by Joint Pari Passu on all present and future fixed assets (plant & machinery) of the Company with 25% margin.

15.2 This represents term loan obtained in year 2019 to release import documents under letter of credit arrangements for the capital expenditure. Tenor of the loan is five years, including six months grace period. This is repayable in 20 equal quarterly installments started from 24 May 2019. It carries mark-up at 3 months KIBOR plus 1.5% p.a. payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs. 171 million over imported / purchased machinery. Principal repayments of the loan were deferred for a period of one year in pursuance of BPRD Circular No. 6 dated 10 April 2020.

15.3 This represents subsidized rate term loan obtained during the year 2020 under Temporary Economic Refinance Facility (TERF) of State Bank of Pakistan (SBP) to release import documents under letter of credit arrangements for the capital expenditure. Tenor of the loan is six years, including one year grace period. This is repayable in 20 equal quarterly installments starting from 01 March 2022. It carries mark-up at 5% p.a. payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs. 171 million over imported / purchased machinery.

15.4 This represents finance obtained from PAIR Investment Company Limited under sale and lease back arrangement. As per terms of agreement, the Company has an option to repurchase the assets back upon expiry of lease term, accordingly proceeds through this arrangement are classified as a financial liability in accordance with IFRS 9. Tenor of the arrangement is 5 years and with 60 equal monthly installments. It carries mark-up at 3 months KIBOR plus 1.5% p.a. The loan is secured by charge over plant and machinery of the Company amounting to Rs. 54.708 million.

15.5 This represents subsidized rate Term Finance obtained under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to combat effect of COVID 19. Tenor of the loan is 2 years and 9 months (inclusive of 6 month grace period started from July 2020). The loan is repayable in 8 equal quarterly installments starting from January 2021. It carries mark-up at SBP Rate plus 3% p.a. payable quarterly. The loan is secured by pari passu charge over land, building, plant and machinery of the Company amounting Rs. 84.2 million.

15.6 Loan proceeds of subsidized loans have been recognized at present value of future cashflows discounted at market interest rate. The difference between loan proceeds and the present value of future cashflows has been recognized as deferred grant. Refer to note 16 for deferred grant.

16. DEFERRED GRANT

Below is detail of loan proceeds received and amount recognized as deferred grant for the impact of below market interest rate on the loan.

	Note	**2021**	2020
		------ Rupees in '000' ------	
Balance at 1 July		**3,123**	-
Loan proceeds received		**107,768**	35,918
Present value of future cash flows discounted at market interest rate		**(99,324)**	(32,795)
Amount recognised as deferred grant		**8,444**	3,123
Amortisation of deferred grant		**(5,538)**	-
		6,029	3,123
Less: Current portion shown under current liabilities	22	**(3,877)**	-
Balance at 30 June		**2,152**	3,123

17. LEASE LIABILITIES

	Note	2021	2020
Balance at 1 July		**235,880**	280,330
Leases obtained during the year		**2,758**	1,985
Payments made during the year		**(41,221)**	(46,435)
	17.1	**197,417**	235,880
Less: Current portion shown under current liabilities	22	**(89,714)**	(40,220)
		107,703	195,660

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

	Minimum lease payments	Mark-up Value	Present Value
	---------- Rupees in '000 ----------		
For the year ended 30 June 2021			
More than one year but less then five years	**114,197**	**6,494**	**107,703**
Upto one year	**102,788**	**13,074**	**89,714**
Total lease payments	**216,985**	**19,568**	**197,417**
For the year ended 30 June 2020			
More than one year but less then five years	214,845	(19,185)	195,660
Upto one year	60,205	(19,985)	40,220
Total lease payments	275,050	(39,170)	235,880

17.2 Leases

Company's leased assets comprise of plant and machinery and vehicles. Leases of plant and machinery were obtained in last quarter of year 2018 from Habib Bank Limited and Bank of Khyber. Leased vehicles have been obtained during different time periods from year 2016 to year 2021. Plant and machinery and vehicles both have lease term of five years. Under the terms of lease arrangement, the Company has an option to acquire leased assets at the end of respective lease term and intends to exercise the option. There are no restrictions imposed on the Company under the terms of leases. Taxes, repair, replacements and insurance costs are borne by the Company. Interest rate used as discounting factor ranges from 8.34% to 10.06% (2020: 9.67% to 15.66%) per annum.

17.2.1 Short term leases

In addition to above Company's leased assets comprise of rented warehouses and office premises, lease term of which is 12 months or less than 12 months (short term leases). The Company has elected not to recognize right of use assets and related liability for these short term leases.

	Note	2021	2020
		------ Rupees in '000' ------	
17.2.2 Amount recognized in statement of profit or loss			
Interest expense on lease liabilities		**20,725**	34,821
Expense relating to short term leases		**17,080**	18,804
17.2.3 Amount recognized in statement of cash flows			
Total cash outflow for leases		**61,946**	83,345

18. EMPLOYEE BENEFITS

	Note	2021	2020
Share Appreciation Rights to Chief Executive Officer	*18.1*	-	1,179
Staff retirement gratuity - net	*18.2*	**33,979**	103,705
		33,979	104,884

18.1 On 27 October 2018, the Board approved share appreciation rights for the Chief Executive Officer (CEO) and affixed 96,946 shares. The CEO was entitled to an amount equal to the market value of these shares. During the year, the Chief Executive Officer resigned and was paid an amount equivalent to the fair value of these shares as on 15 June 2021, which amounted to Rs. 3.7 million.

18.2 Staff retirement gratuity - net

	Note	2021	2020
		------- Rupees in '000 -------	
Present value of defined benefit obligation	18.6	**35,116**	133,820
Fair value of plan assets	18.4	**(1,137)**	(30,115)
		33,979	103,705

18.3 Movement in the net liability recognised in the statement of financial position

	2021	2020
Balance as at 01 July	**103,705**	125,695
Expense recognized in statement of profit or loss	**11,525**	27,535
Contributions to fund	**(82,200)**	(31,002)
Benefits directly paid to employees by the Company	**-**	(3,413)
Remeasurements chargeable in other comprehensive income	**949**	(15,110)
Balance as at 30 June	**33,979**	103,705

18.4 Movement in the fair value of plan assets

	2021	2020
Balance as at 1 July	**30,115**	-
Contributions during the year	**82,200**	31,002
Return on plan assets	**3,849**	2,151
Benefits paid	**(113,092)**	(892)
Actuarial loss on plan assets	**(1,935)**	(2,146)
Balance as at 30 June	**1,137**	30,115

18.5 Fair value of plan assets

	2021	2020	2021	2020
	--- Percentage ---		------- Rupees in '000 -------	
Mutual funds	**0.00%**	99.94%	**-**	30,098
Saving accounts	**100.00%**	0.00%	**1,137**	-
Cash / others	**0.00%**	0.06%	**-**	17
	100.00%	100.00%	**1,137**	30,115

18.6 Movement in the present value of defined benefit obligation:

	Note	2021	2020
Present value of defined benefit obligation as at 01 July		**133,820**	125,695
Current service cost		**7,613**	12,086
Interest cost on defined benefit obligation		**7,234**	17,600
Losses on plan settlements		**527**	-
Benefits paid		**(2,803)**	-
Settlement benefits paid	18.6.1	**(110,289)**	(4,305)
Remeasurements chargeable in other comprehensive income		**(986)**	(17,256)
Present value of defined benefit obligation as at 30 June		**35,116**	133,820

18.6.1 Pursuant to the decision of Board of Directors, gratuity scheme for the management grade staff has been discontinued with effective from 31 December 2020, and all the related benefits were paid off by the fund.

18.7 Expense recognized in statement of profit or loss is as follows:

	2021	2020
	------- Rupees in '000 -------	
Current service cost	**7,613**	12,086
Interest cost on defined benefit obligation	**7,234**	17,600
Losses on plan settlements	**527**	-
Return on plan assets	**(3,849)**	(2,151)
	11,525	27,535

18.8 Remeasurements chargeable in other comprehensive Income are as follows:

	2021	2020
Actuarial gains from changes in financial assumptions	**488**	(8,866)
Experience adjustments	**(1,374)**	(8,390)
	(986)	(17,256)
Actuarial loss on plan assets	**1,935**	2,146
	949	(15,110)

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

	Present value of defined benefit obligation	Experience adjustments on obligations
June 2021	35,116	(986)
June 2020	133,820	(17,256)
June 2019	125,695	429
June 2018	106,325	192
June 2017	92,319	(5,143)

18.10 Year End Sensitivity Analysis (± 100 bps) on Defined Benefit Obligation

	2021	2020
	------- Rupees in '000 -------	
Discount Rate + 100 bps	**32,359**	126,721
Discount Rate - 100 bps	**38,328**	141,964
Salary Increase + 100 bps	**38,389**	142,152
Salary Increase - 100 bps	**32,251**	126,420

The average duration of the defined benefit obligation is 8.5 years.

18.11 Following significant assumptions were used by the actuary in valuation of the scheme:

	2021	2020
Discount rate per annum (%)	**10.00%**	8.50%
Expected rate of increase in salary level per annum (%)	**10.00%**	8.50%
Average expected remaining working life time of employees	**8.5 years**	6 years

The above figures are based on current year's actuarial valuation carried out by Nauman Associates.

19. DEFERRED TAX LIABILITIES - NET

	Note	2021	2020
		------- Rupees in '000 -------	
			Restated
Deferred taxation			
Taxable temporary differences:			
Accelerated depreciation and amortization		**122,039**	125,859
Revaluation surplus on operating fixed assets		**39,429**	46,515
Right of use assets		**42,654**	39,446
		204,122	211,820
Deductible temporary differences:			
Staff retirement benefit - gratuity		**(9,854)**	(30,074)
Unused tax losses	*19.2*	**(36,499)**	(47,034)
Tax credits	*19.2*	**(127,848)**	(80,567)
Provisions		**(7,776)**	(4,834)
		(181,977)	(162,509)
		22,145	49,311

19.1 Movement of deferred tax liability is as follows:

	2021	2020
		Restated
Balance at 01 July	**49,311**	129,234
Reversal recognized in statement of profit or loss	**(26,891)**	(86,989)
(Reversal) / Charge recognized in other comprehensive income	**(275)**	7,066
Balance at 30 June	**22,145**	49,311

19.2 This represents deferred tax asset amounting to Rs. 164.3 million relating to unused tax losses and tax credits. Based on five-years projections and taking into account the reversal of existing taxable temporary differences, management considers it probable that future taxable profits would be available against which these unused tax losses and tax credits can be utilized, therefore, related deferred tax asset has been recognised.

20. TRADE AND OTHER PAYABLES

	Note	2021	2020
		------- Rupees in '000 -------	
Trade creditors and bills payable		**130,358**	160,753
Accrued and other liabilities		**58,319**	47,379
Advances from customers - unsecured	*20.1*	**5,890**	4,711
Sales tax payable		**9,801**	25,152
Withholding taxes payable		**2,342**	995
Workers' profit participation fund payable		**3,676**	-
Workers' welfare fund payable		**716**	17
Payable to employees provident fund		**1,506**	658
		212,608	239,665

20.1 This includes contract liabilities amounting to Rs. 1.07 million (2020: Rs. 1.42 million). This also includes security deposit from customers amounting to Rs. 0.65 million (2020: Rs. 0.7 million) which are utilizable for Company business as per the terms agreed with the customers. No amount was utilized for the purpose of the Company's business during the year.

21. SHORT TERM BORROWINGS

	Note	Facility Amount	2021	2020
		------- Rupees in '000 -------		
From banking companies - Secured				
Short term running finance		**75,000**	**-**	40,371
Inland bills purchased - IBPs		**150,000**	**-**	-
Finance against trust receipt		**710,000**	**485,322**	335,608
Short term loan		**-**	**-**	5,459
		935,000	**485,322**	381,438
Others - NBFC				
Short term loan		**125,000**	**100,000**	125,000
Accrued mark-up on short term borrowings		**-**	**9,718**	18,771
	21.1	**1,060,000**	**595,040**	525,209

21.1 Short-term running finance and other facilities have been obtained from various commercial banks and one Non-Banking Finance Company (NBFC) carrying mark-up ranging from 3 Months KIBOR plus 1.25% to 1.5% (2020: 3 Months KIBOR plus 1.25% to 2%) 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.

22. CURRENT PORTION OF NON-CURRENT LIABILITIES

	Note	2021	2020
		------- Rupees in '000 -------	
Current portion of long term loans	*15*	**78,563**	12,979
Current portion of lease liabilities	*17*	**89,714**	40,220
Current portion of deferred grant	*16*	**3,877**	-
Accrued mark-up on long term loans		**1,932**	2,589
Accrued mark-up on lease liabilities		**1,731**	2,119
		175,817	57,907

23. CONTINGENCIES AND COMMITMENTS

23.1 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 becasue of previous prosecution in Company's favour.

23.2 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 chnaces of favourable outcome.

23.3 Bank guarantees issued by two financial institutions of the Company amounting Rs. 63.23 million (2020: 9.15 million) in favor of the Company's fuel and electricity suppliers.

24. SALES - NET

	2021	2020
	------- Rupees in '000 -------	
Sales		
- PET Preforms	**2,025,987**	1,909,664
- PET Bottles	**1,605,610**	1,667,601
	3,631,597	3,577,265
Less: Sales tax		
- PET Preforms	**(295,457)**	(278,085)
- PET Bottles	**(233,351)**	(242,355)
	(528,808)	(520,440)
- Sales returns and discounts	**(2,100)**	(2,878)
	3,100,689	3,053,947

24.1 Revenue recognized during the period includes Rs. 1.418 million (2020: Rs. 3.8 million) which was shown as advances from customers at the beginning of the period.

25. COST OF SALES

	Note	2021	2020
		------- Rupees in '000 -------	
Raw material consumed		**2,016,535**	1,917,976
Packing material consumed		**105,171**	97,164
Stores, spares and loose tools consumed		**54,570**	53,246
Salaries, wages and other benefits	*25.1*	**195,595**	202,803
Electricity, gas and water		**287,608**	287,927
Travelling and conveyance		**9,920**	9,936
Vehicle running and maintenance		**11,104**	11,546
Rent, rate and taxes		**17,080**	22,137
Repair and maintenance		**10,774**	8,950
Safety and security		**9,949**	12,388
Medical		**7,589**	8,274
Carriage and freight inward		**6,059**	6,434
Communication charges		**3,239**	2,398
Printing, postage and stationery		**2,031**	2,072
Technical testing and analysis		**655**	618
Fees, subscription and professional charges		**948**	2,480
Entertainment		**720**	617
Staff welfare & support		**4,578**	4,346
Depreciation		**119,448**	124,683
Other directly attributable cost		**163**	115
		2,863,736	2,776,110
Work-in-process - opening		**99,846**	198,170
Work-in-process - closing		**(203,474)**	(99,846)
		(103,628)	98,324
Cost of goods manufactured		**2,760,108**	2,874,434
Finished goods - opening		**48,077**	43,613
Finished goods - closing		**(43,929)**	(48,077)
		4,148	(4,464)
Costs to fulfill a contract		**33,836**	36,013
		2,798,092	**2,905,983**

25.1 This includes staff retirement benefits amounting to Rs. 10.944 million (2020: Rs. 22.27 million).

			2021	2020
26.	**OTHER INCOME**	*Note*	------- Rupees in '000 -------	
	Profit on bank deposits		**286**	-
	Gain on scrap sales - net	*26.1*	**8,993**	16,058
	Net gain on disposal of operating fixed assets		**-**	277
	Miscellaneous income		**672**	134
	Write back of long outstanding liabilities		**3,685**	-
			13,636	**16,469**
26.1	**Gain on scrap sales - net**			
	Sales revenue - scrap items		**51,326**	40,739
	Cost of scrap sales		**(42,334)**	(24,680)
			8,992	16,059
27.	**SELLING EXPENSES**			
	Salaries and benefits	*27.1*	**20,438**	20,687
	Vehicle running and maintenance		**2,255**	2,197
	Office rent		**705**	736
	Travelling and conveyance		**1,151**	1,910
	Communications		**488**	456
	Entertainment		**262**	333
	Professional charges		**175**	100
	Repair and maintenance		**414**	754
	Electricity, water and gas		**418**	351
	Printing and stationery		**126**	48
	Advertisement		**103**	258
	Miscellaneous		**17**	48
			26,552	**27,878**

27.1 This includes staff retirement benefits amounting to Rs. 2.078 million (2020: Rs. 3.257 million).

			2021	2020
28.	**ADMINISTRATIVE EXPENSES**	*Note*	------- Rupees in '000 -------	
	Salaries and benefits	*28.1*	**58,243**	53,140
	Directors' meeting fee		**5,450**	5,850
	Legal and professional		**7,941**	5,997
	Travelling and conveyance		**650**	4,028
	Vehicle running and maintenance		**3,977**	3,564
	Medical		**2,627**	2,251
	Rent, rate and taxes		**1,088**	172
	Auditors' remuneration	*28.2*	**2,200**	2,637
	Electricity, gas and water		**505**	382
	Entertainment		**716**	984
	Courses, seminar and subscription		**1,603**	2,168
	Repair and maintenance		**2,184**	1,832
	Communications		**704**	639
	Printing and stationery		**81**	168
	Safety & security		**1,726**	514
	Advertisement		**260**	647
	Depreciation and amortization		**10,046**	10,659
	Miscellaneous		**45**	154
			100,046	**95,786**

28.1 This includes staff retirement benefits amounting to Rs. 5.098 million (2020: Rs. 5.846 million).

28.2 Auditors' Remuneration

	Note	2021	2020
		------- Rupees in '000 -------	
Annual audit		**1,250**	1,100
Half year review		**500**	400
Other assurance services		**100**	100
Consultation services		**175**	700
Out-of-pocket expenses		**175**	337
		2,200	2,637

29. OTHER EXPENSES

	Note	2021	2020
Workers' Welfare Fund		**716**	-
Workers' Profit Participation Fund		**3,676**	-
Donation	*29.1*	**136**	751
Abnormal loss of materials		**-**	14,900
Provision for obsolete stock in trade		**1,022**	217
Loss on disposal of operating fixed assets	*5.1*	**16,228**	-
Other receivables written off		**-**	1,382
Provision for contingencies		**9,341**	-
Impairment loss on operating assets - idle machine		**-**	13,166
		31,119	30,416

29.1 None of donation exceeds 10% of the total amount of donation and none of the directors and their spouse have any interest in the donee's fund.

30. FINANCE COSTS

	2021	2020
	------- Rupees in '000 -------	
Mark-up on:		
Long term loans	**10,790**	13,733
Short-term borrowings	**50,951**	99,942
Inland bills purchased (IBP)	**1,014**	-
Lease liabilities	**20,725**	34,821
	83,480	148,496
Letter of credit charges	**6,485**	6,436
Bank and other charges	**2,694**	2,281
	92,659	157,213

31. TAXATION

	2021	Restated
Current		
Provision for current year	**47,280**	45,809
Deferred		
Deferred tax income	**(26,891)**	(86,990)
	20,389	(41,181)

31.1 Relationship between tax (credit) / charge and accounting profit:

	2021	2020
Profit / (loss) before taxation	**66,503**	(144,881)
Applicable tax rate	**29%**	29%
Tax charge / (credit) at the applicable tax rate	**19,286**	(42,016)
Other permanent differences	**1,103**	835
	20,389	(41,181)

31.2 The income tax assessments of the Company have been finalised up to and including the tax year 2020. Tax returns are deemed to be assessed under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select the deemed assessment order for audit.

32. EARNINGS PER SHARE - BASIC AND DILUTED

32.1 Basic

	2021	2020
Profit / (loss) after taxation (Rupees in '000')	**46,114**	(103,700)
Weighted average number of ordinary shares	**38,148,947**	38,148,947
Earnings / (loss) per share - basic (Rupees)	**1.21**	(2.72)

32.2 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 June 2021, which would have effect on the basic EPS, if the option to convert would have been exercised.

33. CASH AND CASH EQUIVALENTS

	Note	2021	2020
		------- Rupees in '000 -------	
Cash and bank balances	12	**28,697**	20,278
Short-term running finance	21	**-**	(40,371)
		28,697	(20,093)

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including certain benefits to Chief Executive Officer and Executives of the Company are as follows:

	2021		
	Chief Executive Officer	**Executives**	**Total**
	------------------ Rupees in '000 ------------------		
Managerial remuneration	**19,605**	**27,192**	**46,797**
Cash bonus	**2,725**	**-**	**2,725**
Employee benefits	**2,869**	**16,736**	**19,605**
Post Employment Benefits	**2,338**	**3,901**	**6,239**
Other Perquisites	**926**	**2,773**	**3,699**
	28,463	**50,602**	**79,065**
Number of persons	**2**	**12**	

	2020		
	Chief Executive Officer	Executives	Total
	----------------- Rupees in '000 -----------------		
Managerial remuneration	13,989	25,070	39,059
Provision for shared based payment	(122)	-	(122)
Employee benefits	8,099	15,408	23,507
Post Employment Benefits	3,956	5,087	9,043
Other Perquisites	1,637	3,083	4,720
	27,559	48,648	76,207
Number of persons	1	10	

34.1 In addition to the above, the Chief Executive Officer and some of the executives have been provided with free use of the Company maintained cars. Charge for the year in respect of staff retirement benefit gratuity is determined on basis of actuarial valuation.

34.2 During the year, Chief Executive Officer resigned from the its office and Chief Operating Officer was appointed as the Chief Executive Officer of the Company.

35. NUMBER OF EMPLOYEES

	2021	2020
	------- Number -------	
Number of employees as at 30 June	**246**	247
Average number of employees during the year	**244**	264

36. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties comprise of directors, key management personnel, entities over which the directors are able to exercise influence, employees' provident fund and gratuity fund. Balances with related parties have been disclosed in note 13, 18, 20 and 21.1 to the financial statements. Transactions with related parties during the year are as follows:

	Note	**2021**	2020
		------- Rupees in '000 -------	
Cash dividend to Non-Executive Directors		**-**	2,117
Meeting fee paid to Non-Executive Directors		**5,450**	5,850
Remuneration including benefits and perquisites of key management personnel		**53,058**	50,542
Cash dividend to Executive Directors		**-**	2,974
Contribution to employees' provident fund		**12,295**	7,754
Payment against Share Appreciation Rights to Chief Executive Officer	*18.1*	**3,787**	-
Payment to employees' gratuity fund		**82,200**	31,002

Following are the related parties with whom the Company had entered into transactions during the year:

Related Party	Basis of relationship	Bonus shares issued	Number of shares held in the Company (Closing)	Aggregate %age shareholding in the Company
Mr. Amar Zafar Khan	Chairman of the Board	-	818	0.002%
Mr. Mohammad Raza Chinoy	Chief Executive Officer	-	818	0.002%
Mr. Hussain Jamil	Non-Executive Director	-	6,559,182	17.194%
Mr. Ahsan Jamil	Non-Executive Director	-	1,107	0.003%
Mr. Shahan Jamil*	Non-Executive Director	-	818	0.002%
Mr. Ali Jamil	Non-Executive Director	-	28,177	0.074%
Mr. Asad Ali Sheikh	Non-Executive Director	-	818	0.002%
Ms. Sonya Jamil	Non-Executive Director	-	514	0.001%
Mr. Rehan Jamil	Non-Executive Director	-	824	0.002%
Mr. Muhammad Ali Adil	Key Management Personnel	-	-	
Mr. Zameer-ul-Hassan	Key Management Personnel	-	-	
Employees' Provident Fund	Employees' post-employment benefit- plan	N/A	N/A	N/A
Employees' Gratuity Fund		N/A	N/A	N/A

*During the year Mr. Shahan Jamil (related party) has resigned from the directorship of the Company and was appointed as Chief Information Officer. His remuneration is included in remuneration to key management personnel as disclosed in note 36.

37. SEGMENT REPORTING

37.1 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.

Reportable segments	Operations
Injection	Engaged in buying PET Resin and other raw materials for the purpose of production of PET preforms (finished product of this segment) which is used as a raw material in Blowing segment for manufacturing of PET bottles.
Blowing	Engaged in using PET preforms produced by the Injection segment, purchasing PET preforms and other raw materials from external suppliers for the purpose of production of PET bottles (finished product of this segment).

The Company’s Chief Executive officer reviews the internal management reports of each segment at least quarterly.

37.2 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	
	2021	2020	**2021**	2020	**2021**	2020
	Rupees in '000					
Total Sales	**2,647,097**	2,512,298	**1,370,160**	1,423,944	**4,017,257**	3,936,242
Less: Intersegment sales (eliminated)	**(916,568)**	(882,295)	**-**	-	**(916,568)**	(882,295)
Sales-net	**1,730,529**	1,630,003	**1,370,160**	1,423,944	**3,100,689**	3,053,947
Total Cost of Sales	**(1,557,189)**	(1,560,351)	**(2,157,471)**	(2,227,927)	**(3,714,660)**	(3,788,278)
Less: Intersegment cost (eliminated)	**-**	-	**916,568**	882,295	**916,568**	882,295
Cost of sales-net	**(1,557,189)**	(1,560,351)	**(1,240,903)**	(1,345,632)	**(2,798,092)**	(2,905,983)
	173,340	69,652	**129,257**	78,312	**302,597**	147,964
Selling expenses	**(14,819)**	(14,880)	**(11,733)**	(12,998)	**(26,552)**	(27,878)
Administrative expenses	**(55,837)**	(51,124)	**(44,209)**	(44,662)	**(100,046)**	(95,786)
Impairment gain on trade debts	**361**	1,056	**285**	923	**646**	1,979
	(70,295)	(64,948)	**(55,657)**	(56,737)	**(125,952)**	(121,685)
Operating profit	**103,045**	4,704	**73,600**	21,575	**176,645**	26,279
Segment assets	**1,167,353**	1,249,680	**855,567**	676,746	**2,022,920**	1,926,426
Unallocated assets	**-**	-	**-**	-	**118,865**	148,497
	1,167,353	1,249,680	**855,567**	676,746	**2,141,785**	2,074,923
Segment liabilities	**613,846**	726,837	**440,356**	381,692	**1,054,202**	1,108,529
Unallocated liabilities	**-**	-	**-**	-	**237,514**	161,765
	613,846	726,837	**440,356**	381,692	**1,291,716**	1,270,294
Capital expenditure	**52,285**	46,732	**9,747**	42,861	**62,032**	89,593
Unallocated capital expenditure	**-**	-	**-**	-	**26,113**	23,684
	52,285	46,732	**9,747**	42,861	**88,145**	113,277

37.3 Reconciliations of information on reportable segments to the amounts reported in the statement of Profit or loss :

	2021	2020
	Rupees in '000	
Operating profit of the reportable segments	**176,645**	26,279
Add: other income	**13,636**	16,469
Less: other expenses	**(31,119)**	(30,416)
Finance costs	**(92,659)**	(157,213)
Profit / (loss) before taxation as per statement of profit or loss	**66,503**	(144,881)

37.4 Administrative expenses, selling expenses and impairment loss on trade debts have been allocated on the basis of the net sales value of each segment.

37.5 Revenue from six customers of the Company amounted to Rs. 2,315 million (2020: Rs. 2,173 million). The segments from which these revenues were generated are listed below:

- Blowing Segment: three customers having revenues amounting to Rs. 1,170 million (2020: Rs. 1,226 million).

- Injection Segment: three customers having revenues amounting to Rs. 1,145 million (2020: Rs. Rs. 666 million).

- Injection and Blowing: one customer having revenues amounting to Rs. 632 million (2020: Rs.281 million).

37.6 Loss on disposal amounting to Rs. 16.2 million (2020: Impairment loss amounting to Rs. 13.1 million) and Rs. nil (2020: Impairment loss amounting to Rs. 8.1 million) (net of related tax) has been recognized in statement of profit and loss and statement of comprehensive income respectively, on a machine relating to injection segment.

37.7 Both the segments are operating in same geographical locations and does not have geographically dispersed customers.

38. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

38.1 Classification and fair values

Fair value is the amount that would be received on sale of an asset or paid on transfer of a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and fair value estimates. Underlying definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

IFRS 13 'Fair Value Measurements' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

'The following table shows the carrying amounts and fair values of financial assets and liabilities. The fair value of financial assets measured at fair value is shown below. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value as the current financial assets and liabilities are short term and some financial assets are also interest bearing.

		Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
	Note	Rs. in '000						
For the year ended 30 June 2021								
Financial assets measured at fair value								
Long term deposits		**-**	**12,209**	**12,209**	**-**	**-**	**12,209**	**12,209**
Short term deposits		**-**	**200**	**200**	**-**	**-**	**200**	**200**
Financial assets not measured at fair value								
Trade debts - net of allowance for impairment	*8*	**228,181**	**-**	**228,181**	**-**	**-**	**-**	**-**
Short term investments	*11*	**7,125**	**-**	**7,125**	**-**	**-**	**-**	**-**
Cash and bank balances	*12*	**28,697**	**-**	**28,697**	**-**	**-**	**-**	**-**
		264,003	**12,409**	**276,412**	**-**	**-**	**12,409**	**12,409**
Financial liabilities not measured at fair value								
Long term loans (including current portion)	*15*	**218,074**	**-**	**218,074**	**-**	**-**	**-**	**-**
Lease liabilities (including current portion)	*17*	**197,417**	**-**	**197,417**	**-**	**-**	**-**	**-**
Trade creditors and bills payable	*20*	**130,358**	**-**	**130,358**	**-**	**-**	**-**	**-**
Accrued and other liabilities	*20*	**58,319**	**-**	**58,319**	**-**	**-**	**-**	**-**
Short term borrowings	*21*	**595,040**	**-**	**595,040**	**-**	**-**	**-**	**-**
		1,199,208	**-**	**1,199,208**	**-**	**-**	**-**	**-**
For the year ended 30 June 2020								
Financial assets measured at fair value								
Long term deposits		-	12,209	12,209	-	-	12,209	12,209
Short term deposits		-	3,027	3,027	-	-	3,027	3,027
Financial assets not measured at fair value								
Trade debts - net of allowance for impairment	*8*	214,694	-	214,694	-	-	-	-
Cash and bank balances	*12*	20,278	-	20,278	-	-	-	-
		234,972	15,236	250,208	-	-	15,236	15,236

		Carrying amount			Fair value			
		Amortized Cost	FVTPL	Total	Level 1	Level 2	Level 3	Total
	Note	Rs. in '000						
Financial liabilities not measured at fair value								
Long term loans (including current portion)	15	104,795	-	104,795	-	-	-	-
Lease liabilities (including current portion)	17	235,880	-	235,880	-	-	-	-
Trade creditors and bills payable	20	160,753	-	160,753	-	-	-	-
Accrued and other liabilities	20	47,379	-	47,379	-	-	-	-
Short term borrowings	21	525,209	-	525,209	-	-	-	-
		1,074,016	-	1,074,016	-	-	-	-

38.2 Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity risk
- market risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

38.2.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and bank balances.

The carrying amounts of financial assets represent the maximum credit exposure. 'Impairment reversal on financial assets' recognized in statement of profit or loss amounts to Rs. 0.64 million (2020: Rs. 1.97 million) and relates only to trade debts.

i) Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base. Geographically there is no concentration of credit risk.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's payment and delivery terms and conditions are offered. The Company's reviews includes external ratings, if they are available, financial statements, credit agency information, industry information and in some cases bank references. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for customers.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trading history with the company and existence of previous financial difficulties.

The Company does not require collateral in respect of trade receivables. The Company does not have trade debts for which no loss allowance is recognized because of collateral. At 30 June 2021, the carrying amount of the Company's most significant customer was Rs. 75.8 million (2020: Rs. 49.7 million)

Expected credit loss (ECL) assessment for customers

The Company uses an allowance matrix to measure the ECLs of trade receivables. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off. Roll rates are calculated based on the following credit risk characteristics – geographic region, age of customer relationship and average of year-wise probability of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at 30 June 2021.

30 June 2021		**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	Note	Percentage	---------- Rupees in '000	----------	
Current (not past due)		0.38%	**177,431**	(680)	No
1–30 days past due		0.87%	**40,319**	(350)	No
31–60 days past due		11.55%	**10,309**	(1,190)	No
61–90 days past due		34.13%	**49**	(17)	No
More than 90 days past due		48.76%	**4,508**	(2,198)	No
	8		**232,616**	**(4,435)**	

30 June 2020		**Weighted average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit impaired**
	Note	Percentage	---------- Rupees in '000	------	
Current (not past due)		0.57%	115,635	(665)	No
1–30 days past due		1.16%	98,010	(1,137)	No
31–60 days past due		12.95%	108	(14)	No
61–90 days past due		39.34%	-	-	No
More than 90 days past due		54.21%	6,022	(3,265)	No
	8		219,775	(5,081)	

Loss rates are based on actual credit loss experience over the past five years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

Scalar factors are based on actual and forecast, gross domestic product rates and consumer price index rates.

The decrease in loss allowance is mainly attributable to recoveries and changes in macroeconomic factors. The methodology for the calculation of ECL is the same as described in the last annual financial statements.

Movements in the allowance for impairment in respect of trade debts has been disclosed in note 8.1, Trade receivables written off are still subject to enforcement activity.

ii) Bank balances

The Company has bank balances of Rs. 28.597 million at 30 June 2021 (2020: Rs. 20.178 million). The bank balances are held with banks which are rated A1 to AA-, based on PACRA and VIS ratings. Although bank balances are also subject to the requirements of IFRS 9, the identified impairment loss was immaterial as the counter parties have reasonably high credit ratings.

38.2.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company is exposed to currency risk and interest rate risk.

a) Foreign exchange risk management

PKR is the functional currency of the Company and exposure arises from transactions and balances in currencies other than PKR as foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company's potential currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items
- Transactional exposure in respect of non functional currency expenditure and revenues
- The potential currency exposures are discussed below

Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the statement of profit or loss. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

Transactional exposure in respect of non functional currency expenditure and revenues

Certain operating and capital expenditures are incurred by the Company in currencies other than the functional currency.

Exposure to foreign currency risk

The Company is not significantly exposed to foreign currency risk as at date of statement of financial position.

b) Interest / mark up rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow interest rate risk on its running finance arrangements which is repriced at a maximum period of 120 days.

Exposure to interest rate risk

The interest rate profile of the Company’s interest-bearing financial instruments is as follows:

	Note	**2021**	2020
		------- Rupees in '000 -------	
Fixed-rate instruments - *Financial assets*			
Bank balance in interest-bearing account	*12*	**2,760**	360
Fixed-rate instruments - *Financial liabilities*			
Long-term loans (including current portion)		**83,299**	32,795
Variable-rate instruments - *Financial liabilities*			
Short-term borrowings	*21*	**595,040**	525,209
Long-term loans (including current portion)	*15*	**134,775**	72,000
Lease liabilities	*17*	**197,417**	235,880
		927,231	833,089

Fair value sensitivity analysis for fixed-rate instruments

The Company does not account for any fixed-rate financial assets or financial liabilities at FVTPL. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable-rate instruments

During the year, if average KIBOR interest rate on borrowings had been 100 basis points higher / lower with all other variables held constant, profit after taxation for the year would have been lower / higher by Rs. 9.71 million (2020: higher / lower by Rs. 8.66 million) respectively, mainly as a result of higher / lower interest exposure on variable rate borrowing.

38.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Beyond effective working capital and cash management, the Company mitigates liquidity risk by arranging short-term financing from highly rated financial institutions.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The maturity profile of the Company's financial liabilities based on the contractual amounts are as follows:

	Note	Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onwards
		2021					
		---------- Rupees '000 ----------					
Short term borrowings	*21*	**595,040**	**595,040**	**595,040**	**-**	**-**	**-**
Long term loans - secured (including current portion)	*15*	**218,074**	**254,412**	**91,314**	**71,097**	**87,834**	**4,167**
Lease liabilities (including current portion)	*17*	**197,417**	**216,860**	**102,788**	**95,594**	**18,478**	**-**
Trade and other payables	*20*	**188,677**	**188,677**	**188,677**	**-**	**-**	**-**
		1,199,208	**1,254,989**	**977,819**	**166,691**	**106,312**	**4,167**

		Carrying amount	Contractual cash flows	Up to one year	One to two years	Two to five years	Five years onward
		2020					
		---------- Rupees '000 ----------					
Short term borrowings	*21*	525,209	525,209	525,209	-	-	-
Long term loans - secured (including current portion)	*15*	104,795	130,302	21,342	40,290	64,611	4,059
Lease liabilities (including current portion)	*17*	235,880	275,050	60,135	102,300	112,615	-
Trade and other payables	*20*	187,575	187,575	187,575	-	-	-
		1,053,459	1,118,136	794,261	142,590	177,226	4,059

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

The contractual cash flows relating to long term borrowings have been determined on the basis of expected mark-up rates. The mark-up rates have been disclosed in note 15 & 17.2 to these financial statements.

38.3 Capital risk management

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

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

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

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

39. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	Liabilities				Equity		
	Short term borrowings	Short-term running finance	Finance lease liabilities	Long term loan	Share capital	Unappropriated profits	Total
	Rupees '000						
Balance at 01 July 2020	**484,838**	**40,371**	**235,880**	**104,795**	**381,489**	**284,558**	**1,531,931**
Changes from financing cash flows							
Proceeds from loans	1,947,702	-	-	141,659	-	-	**2,089,361**
Repayment of loans	(1,828,447)	-	-	(25,474)	-	-	**(1,853,921)**
Payment of lease liabilities	-	-	(41,221)	-	-	-	**(41,221)**
Total changes from financing cash flows	**119,255**	**-**	**(41,221)**	**116,185**	**-**	**-**	**194,219**
Other changes							
Liability related							
Decrease in short-term running finance	-	(40,371)	-	-	-	-	**(40,371)**
Finance cost expense for the year	61,144	-	-	-	-	-	**61,144**
Finance cost paid - short-term borrowings	(70,197)	-	-	-	-	-	**(70,197)**
Transferred to deferred grant	-	-	-	(8,444)	-	-	**(8,444)**
Amortisation of deferred grant	-	-	-	5,538	-	-	**5,538**
Leases obtained	-	-	2,758	-	-	-	**2,758**
Total liability related other changes	**(9,053)**	**(40,371)**	**2,758**	**(2,906)**	**-**	**-**	**(49,572)**
Equity related							
Total comprehensive income for the year	-	-	-	-	-	45,440	**45,440**
Transfer of incremental depreciation and- Surplus on assets disposed off - net of tax	-	-	-	-	-	17,349	**-**
Issue of bonus shares	-	-	-	-	-	-	**-**
Total equity related other changes	**-**	**-**	**-**	**-**	**-**	**62,789**	**45,440**
Balance at 30 June 2021	**595,040**	**-**	**197,417**	**218,074**	**381,489**	**347,347**	**1,739,367**
Balance at 01 July 2019	724,317	13,365	280,330	137,000	346,809	415,651	1,917,472
Changes from financing cash flows							
Proceeds from loans	2,042,205	-	-	35,918	-	-	2,078,123
Repayment of loans	(2,281,962)	-	-	(65,000)	-	-	(2,346,962)
Payment of lease liabilities	-	-	(46,435)	-	-	-	(46,435)
Finance costs paid	-	-	(36,910)	(13,863)	-	-	(50,773)
Dividend paid	-	-	-	-	-	(17,148)	(17,148)
Total changes from financing cash flows	(239,757)	-	(83,345)	(42,945)	-	(17,148)	(383,195)
Liability related							
Increase in short-term running finance	-	27,006	-	-	-	-	27,006
Finance cost paid - short-term borrowings	(108,381)	-	-	-	-	-	(108,381)
Decrease in accrued mark up	-	-	2,089	130	-	-	2,219
Transferred to deferred grant	-	-	-	(3,123)	-	-	(3,123)
Leases obtained	-	-	1,985	-	-	-	1,985
Finance cost expense for the year	108,659	-	34,821	13,733	-	-	157,213
Total liability related other changes	278	27,006	38,895	10,740	-	-	76,919
Equity related							
Total comprehensive income for the year	-	-	-	-	-	(92,972)	(92,972)
Transfer of incremental depreciation	-	-	-	-	-	13,899	13,899
Issue of bonus shares	-	-	-	-	34,680	(34,680)	-
Change in unclaimed dividend	-	-	-	-	-	(192)	(192)
Total equity related other changes	-	-	-	-	34,680	(113,945)	(79,265)
Balance at 30 June 2020	484,838	40,371	235,880	104,795	381,489	284,558	1,531,931

		Note	2021	2020
40.	**PLANT CAPACITY AND ACTUAL PRODUCTION**			
	Blowing			
	Capacity - no. of bottles (in '000)		**327,144**	327,144
	Production - no. of bottles (in '000)	40.1	**130,195**	134,505
	Utilization		**40%**	41%
	Injection			
	Capacity - no. of preforms (in '000)		**728,864**	728,864
	Production - no. of preforms (in '000)		**420,473**	376,837
	Utilization		**58%**	52%

40.1 The reason of shortfall is due to the demand and supply situation of the market.

41. COMPARATIVE FIGURES - Restatements

41.1 Provision for Minimum Tax

Previously, no provision for Minimum Tax was recognized in the Company’s financial statements on the grounds that minimum tax is adjustable against the future years’ tax liability. Recently, the Accounting Standard Board (the Board) of the Institute of Chartered Accountants of Pakistan (ICAP) issued an Opinion whereby the Board concluded that; the minimum tax levied under section 113 of the Income Tax Ordinance, 2001 should be recognized as current tax expense; and a deferred tax asset should be recognised for the amount of minimum tax paid for a period in excess of tax based on taxable income subject to the probability of availability of future taxable profits against which the unused tax losses and unused tax credits can be utilized.

In line with the Board's opinion, the Company has recognized provision for minimum tax and related deferred tax asset in the financial statements. In accordance with the requirements of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, this change has been applied retrospectively, and the related financial statement impacts are as follows:

	As previously reported	Effect of restatement	Balance after restatement
	---------- Rupees in '000' ----------		
30 June 2020			
Statement of Profit or Loss			
Income tax charge for the period - current	-	45,809	45,809
Deferred tax income	(41,181)	(45,809)	(86,990)
Loss after taxation	(103,700)	-	103,700
Statement of Financial Position			
Advance tax - net	158,000	(80,567)	77,433
Deferred tax liabilities - net	129,878	(80,567)	49,311
01 July 2019			
Statement of Financial Position			
Advance tax - net	138,581	(34,758)	103,823
Deferred tax liabilities - net	163,992	(34,758)	129,234

The above restatement does not have any impact on the comparative statement of changes in equity and statement of cash flows. In comparative statement of profit or loss net impact on loss before taxation is nil.

42. PROVIDENT FUND

The investments in collective investment scheme out of provident fund have been made in accordance with the provision of Section 218 of the Companies Act, 2017 and the regulations formulated for this purpose.

43. NON-ADJUSTING EVENT AFTER THE DATE OF STATEMENT OF FINANCIAL POSITION.

The Board of Directors in its meeting held on 25 September 2021 has proposed a common stock dividend at the rate of 10% (2020: Nil) for the year ended 30 June 2021. These appropriations will be placed before shareholders for approval in the forthcoming Annual General Meeting and the effect thereof will be accounted for in the financial statements for the year ending 30 June 2022.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company in their meeting held on September 25, 2021

Chief Financial Officer	**Chief Executive Officer**	**Director**

The Company Secretary
EcoPack Limited
Plot 112-113, Phase 5, Industrial
Estate Hattar, District Haripur
Khyber Pakhtunkhwa

Proxy Form

I / We ______________________________ of ______________________________

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

Folio No ____________________ and / or CDC Participant

I.D. No. ____________________ and Account / Sub-Account No. ______________

do hereby appoint ______________________________ of ______________________________ as

my / our proxy to attend, speak and vote for me / us and on my / our behalf at the 30th

Annual General Meeting of the Company to be held on Thursday October 28, 2021

____ and

at any adjournment thereof. As witness I / We set my / our hand (s) this ____________________ day of

____________________ 2021 signed the said proxy in the presence of:

Witnesses:

1. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____

   CNIC
   or
   Passport No. ______________________________

Signature

Revenue Stamp

2. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____

   CNIC
   or
   Passport No. ______________________________

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

Note:

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

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

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

Manufacturers Of Quality PET Bottles & Preforms

EcoPack Ltd

HEAD OFFICE:
19 Citivillas, Near High Court Road, Rawalpindi
PABX: +92 51 5974098 & 99
Fax: +92 51 5974097

KARACHI OFFICE:
Suite # 306, 3rd Floor, Clifton Diamond,
Block-4, Clifton, Karachi
Ph: +92 21 35291051 & 52
Fax: +92 21 35291053

LAHORE OFFICE:
Office # 5, 1st Floor, Al-Hafeez View,
Sir Syed Road, Gulberg-III, Lahore
Ph: +92 300 5015139

REGISTERED OFFICE & FACTORY:
112-113, Phase V, Hattar Industrial Estate Hattar,
District Haripur, Khyber Pakhtunkhwa
Tel: +92 995 617720 & 23, 617347
Fax: +92 995 617074
Web: www.ecopack.com.pk

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