

# Condensed Interim Financial Statements

For the Half Year ended  
**December 31, 2021** (Un-Audited)



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The image shows several heart-shaped tassels made of fringed threads, some in a light cream color and one in a vibrant yellow. They are arranged on a light-colored wooden surface with a visible grain. Each tassel has a braided cord at the top. The text 'Quality is our Forté' is overlaid at the bottom, with 'Quality' in a large, bold, black serif font, 'is' in a smaller black serif font, and 'our Forté' in a bold, black sans-serif font inside a yellow rectangular box.

**Quality** is  
**our Forté**



## Vision & Mission Statement

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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

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



## Company Information

### BOARD OF DIRECTORS

Mr. Amar Zafar Khan  
 Mr. Hussain Jamil  
 Mr. Ahsan Jamil  
 Mr. Ali Jamil  
 Mr. Asad Ali Sheikh  
 Mr. Rehan Jamil  
 Mrs. Sonya Jamil  
 Ms. Laila Jamil

Chairman  
 Chief Executive Officer  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Non-Executive Director  
 Alternate Director of Mr. Rehan Jamil

### AUDIT COMMITTEE

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

Chairman  
 Member  
 Member  
 Member

### HUMAN RESOURCE & REMUNERATION COMMITTEE

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

Chairman  
 Member  
 Member  
 Member  
 Member

### CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

### COMPANY SECRETARY

Mr. Awais Imdad

### BANKERS

Bank Al-Habib Limited  
 JS Bank Limited  
 Askari Bank Limited

Habib Bank Limited  
 BankIslami Pakistan Limited  
 Bank of Khyber

### AUDITORS

M/s. A. F. Ferguson & Co.

Chartered Accountants

### SHARE REGISTRAR

M/s. THK Associates (Pvt.) Limited  
 Office. Plot no. 32-C, Jami Commercial Street 2, D.H.A  
 Phase VII, Karachi, Pakistan

Ballotter, Share Registrar & Transfer Agent

### 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, [www.ecopack.com.pk](http://www.ecopack.com.pk)

## Directors' Report

The Board of directors of EcoPack Limited is pleased to present the reviewed financial statements and Auditors Report for the half year period ended 31st December 2021:

### OVERVIEW

The foremost challenge facing the economy has been rampant inflation bearing the dual impact of a weakening PKR versus the US Dollar and buoyant international crude oil prices hitting a 13year high peak. This fundamental denominator has driven costs across the board for all your company's raw and packing materials as well as electricity, truck-freight, interest rates, etc. Consequently your company has taken steps to manage its Supply-Chain arrangements through timely supply agreements with it's vendors to ensure cost effective procurement of key input materials.

To mitigate the impact of the ensuing lower margins, your company's management has aggressively increased its production & sales of both bottles and preforms, thereby reducing fixed costs significantly. Your company's reputation as a tried and tested reliable and high quality vendor makes it an outlier among peers. This confidence, which has been reposed by long term customers, is well earned and helps your company particularly in difficult pandemic conditions when growth in volumes is restricted by intermittent market closures and a reduction in inter-city travel during administrative lockdowns.

Hence your company has been able to substantially increase both its production output and sales on a YoY basis as is evidenced by the performance data and the significant positive swing in its financial results against the 6-month comparative periods under review.

### SALES & FINANCIAL HIGHLIGHTS

Sales revenue has significantly increased from Rs. 925.6 million to Rs. 1.60 billion as compared to the corresponding period last year i.e. an increase of 73%. This exponential sales growth is mainly due to an increase in Bottles sales by 49% in unit terms, while Preforms sales increased by 23% in unit terms. Purchase price of PET Resin (basic raw material) increased by approximately 76% against the 1HFY20, which is one of the main contributors to the increase in topline revenue. This has resulted in an enormous increase in Gross profit from Rs. 8.8 million to Rs. 90.3 million as compared to the same period last year, i.e. an increase of Rs. 81.5 million. Gross profit margin also increased accordingly from 0.9% to 5.6% due to comparatively improved capacity utilization. By virtue of the same reason, Operating profit of Rs. 16.5 million has been earned during this period against an operating loss of Rs. 76.0 million for the corresponding 6 months last year. On account of comparatively higher sales volumes of Bottles & Preforms and pro-active management actions in supply-chain management, your company achieved a significant turnaround in Operating profit from an Operating loss of Rs. 76 million last year to an operating profit of Rs. 16.5 million during 1HY21 i.e. a swing of Rs. 92.6 million.

Financial charges increased by 18% i.e. from Rs. 39.8 million to Rs. 47.1 million mainly due to the utilization of additional working capital owing to comparatively higher PET resin prices and increased production volumes. This is due to the continuing efforts of your management for the reduction of financial costs by negotiating better pricing terms with the banks & DFIs together with a more efficient business cycle.

Pre-tax loss is recorded at Rs. 30.6 million against a pre-tax loss of Rs. 115.9 million compared to 1HFY20 - an improvement of Rs. 85.3 million. However, post-tax loss comes to Rs. 15.4 million against a post-tax loss of Rs. 83.6 million against corresponding half year last year. Thus, your Company has recorded an improvement in the bottom line by 81% i.e., by Rs. 68.1 million.

Loss per share (basic and diluted) for the first half year of FY 2022 comes to Re. 0.37 per share against loss per share of Re. 1.99 in the same period last year.

In order to present a true and fair view of the affairs of your Company, in the backdrop of the current deterioration of

Pak rupee to US dollar parity, we have carried out a revaluation of fixed assets from a SBP approved reputable valuator. As a result of the revaluation, a surplus of Rs. 89.1 million has been recorded.

## FUTURE OUTLOOK

Despite the high inflation scenario impacting all manufacturing businesses, your company is poised to achieve enhanced profitability as we enter the high sales summer season and the early commencement of the Holy Month of Ramzan in early April this year. Significant growth in sales of both Preforms and Bottles is envisaged in synchronization with a buoyant Beverage industry anticipating double-digit growth as markets rebound strongly against a weakening Omicron virus. An increasing 'on-the-go' young population, yearning to move and consume, is creating a mini-bonanza in small size PET "single serve" beverage and water bottles. This is a trend which has been expected to drive growth exponentially as it increasingly catches up with the popular multi-serve 1.5 litre 'home pack' numerically in unit terms. Meanwhile it also continues to slowly cannibalize the 250ml 'returnable glass bottle'(RGB).

The 'Large containers' product range that your company invested in a couple of years ago is now demonstrating considerable promise and sales are geared to almost double against the prior year. Product and customer diversification in the Edible/Cooking Oil and Drinking Water sectors is rapidly achieving traction, particularly in the off-season winter period, and will be contributing to profitability in the years ahead.

## RISKS

High inflation on the back of a strong USD (with interest rates poised to increase in the US to counter their own sharp spike in inflation – highest rate in the last 40 years) and rising international Crude oil prices presents a severe challenge to Pakistan's CAD and macro-economic management. As financial space reduces due to expensive oil & commodity imports, rising interest rates and increased taxes are envisaged as a probability. This may entail both higher costs of products as well as declining purchasing power for consumers.

Political uncertainty also looms as we enter the pre-election year and its attending political maneuverings and polarization as contending political parties and alliances compete and jostle for power.

Our national Energy/electricity conundrum and harsh IMF remedies to rein in the perpetually rising "Circular Debt" poses a critical challenge for the competitiveness of a manufacturing sector already grappling with high inflationary costs.

For & On Behalf of the Board of Directors of EcoPack Ltd



**Asad Ali Sheikh**  
Director



**Hussain Jamil**  
Chief Executive Officer

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



## "ANNEXURE A" TO THE DIRECTORS' REPORT


1. The total number of Directors are seven as follows:
  - a. Male: 06
  - b. Female: 01
  
2. The composition of the Board is as follows:
  - a) **Independent Directors**
    - (1) Mr. Amar Zafar Khan
    - (2) Mr. Asad Ali Sheikh
  - b) **Non-executive Directors**
    - (1) Mr. Ahsan Jamil
    - (2) Mr. Ali Jamil
    - (3) Mr. Rehan Jamil\*
  - c) **Executive Directors**
    - (1) Mr. Hussain Jamil
  - d) **Female Director**
    - (1) Mrs. Sonya Jamil (Non-executive Director)

\*Ms. Laila Jamil was appointed as an alternate director of Mr. Rehan Jamil in the 121st BOD meeting.
  
3. The Board has formed committees comprising members as given below:
  - a) **Audit Committee**
    - (1) Mr. Asad Ali Sheikh - Chairman
    - (2) Mr. Amar Zafar Khan - Member
    - (3) Mr. Ahsan Jamil - Member
    - (4) Mr. Ali Jamil - Member
  
  - b) **Human Resource and Remuneration (HR & R) Committee**
    - (1) Mr. Amar Zafar Khan - Chairman
    - (2) Mr. Hussain Jamil - Member
    - (3) Mr. Ahsan Jamil - Member
    - (4) Mr. Asad Ali Sheikh - Member
    - (5) Mrs. Sonya Jamil - Member
  
4. The Board has approved the Remuneration Policy of Directors and significant features are as follows:
  - The Board of Directors ("BOD") shall, from time to time, determine and approve the remuneration of the members of the BOD for attending Board Meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BOD, and shall be aimed at attracting and retaining members needed to govern the Company successfully and creating value addition.
  - No single member of the BOD shall determine his/her own remuneration.

For & on behalf of the Board of Directors

  
ASAD ALI SHEIKH

Director

  
HUSSAIN JAMIL

CHIEF EXECUTIVE OFFICER

Date: February 26, 2022

## ڈائریکٹرز رپورٹ

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2021 کو ختم ہونے والی ششماہی کی مدت کے لیے نظر ثانی شدہ مالیاتی گوشواروں اور آڈیٹرز کی رپورٹ پیش کرنے پر خوشی ہے:

### جائزہ:

معیشت کو درپیش سب سے اہم چیلنج امریکی ڈالر کے مقابلے میں پاکستانی روپے کے کمزور ہونے کے دوہرے اثرات کی وجہ سے مہنگائی اور بین الاقوامی سطح پر خام تیل کی 13 سال کی بلند ترین سطح کو چھونے والی قیمتیں ہیں۔ اس بنیادی فرق نے آپ کی کمپنی کے تمام خام اور پیکنگ میٹریل کے ساتھ ساتھ بجلی، ترسیلاتی لاگت، سود کی شرح وغیرہ کی لاگت کو بڑھا دیا ہے۔ نتیجتاً اپنی سپلائی چین کے اختلالات کے سلسلے میں آپ کی کمپنی نے کلیدی خام مال / اشیاء کی موثر بہ لاگت خریداری کو یقینی بنانے کے لیے اپنے مال کے فراہم کنندگان کے ساتھ سپلائی کے بروقت معاہدوں کے ذریعے اقدامات کیے ہیں۔

کم نفع ملنے کے اثرات میں تخفیف کے لیے، آپ کی کمپنی انتظامیہ نے جارحانہ طور پر بوتلوں اور Preforms دونوں کی پیداوار اور فروخت میں اضافہ کیا ہے، جس سے مقررہ لاگت میں نمایاں کمی آئی ہے۔ ایک آزمودہ، تجربہ کار، قابل اعتماد اور اعلیٰ معیار کے مال کے فراہم کنندہ کے طور پر آپ کی کمپنی کی سادگی اسے اپنے مسابقت کاروں میں نمایاں کرتی ہے۔ خاصی تک و دو کے بعد طویل مدتی صارفین کی جانب سے بحال ہونے والا یہ اعتماد مشکل وبائی حالات کے دوران آپ کی کمپنی کی خاصی مدد کرتا ہے جبکہ وقفے وقفے سے ہونے والی بندش اور انتظامی لاک ڈاؤن کی وجہ سے شہروں کے درمیان سفر کی کمی نے حجم میں اضافہ محدود کر دیا ہے۔

یہی وجہ ہے کہ آپ کی کمپنی سالانہ بنیاد پر اپنی پیداوار اور فروخت دونوں میں خاطر خواہ اضافہ کرنے میں کامیاب رہی ہے، کارکردگی کے اعداد و شمار اور گزشتہ 6 ماہ کے زیر جائزہ تقابلی ادوار، مالیاتی نتائج میں اس مثبت تبدیلی کو ظاہر کرتے ہیں۔

### فروخت اور مالیات کے اہم نقاط:

گذشتہ سال کی مساوی مدت کے دوران 925.6 ملین روپے کے سیلز ریونیو کی نسبت امسال 1.60 ملین روپوں کے سیلز ریونیو کی بدولت 73 فیصد کا نمایاں اضافہ ہوا ہے۔ تیزی سے فروخت میں یہ اضافہ بنیادی طور پر یونٹ کے لحاظ سے بوتلوں کی فروخت میں 49 فیصد اضافے کی وجہ سے ہے، جب کہ یونٹ کے لحاظ سے Preforms کی فروخت میں 23 فیصد اضافہ ہوا ہے۔ PET Resin (بنیادی خام مال) کی قیمت خرید میں 1HFY20 کے مقابلے میں تقریباً 76 فیصد اضافہ ہوا، جو کہ مجموعی آمدنی میں اضافے کے لیے ایک اہم معاون ہے۔ اس کے نتیجے میں گزشتہ سال اسی مدت کے دوران ہونے والا 8.8 ملین روپوں کا مجموعی منافع 81.5 ملین روپوں کے زبردست اضافے کے بعد 90.3 ملین روپے رہا۔ مجموعی منافع کا مارجن بھی اسی حساب سے 0.9 فیصد سے بڑھ کر 5.6 فیصد ہو گیا جس کی وجہ نسبتاً بہتر صلاحیت کا استعمال ہے۔

اسی وجہ سے گزشتہ سال کی مساوی ششماہی میں ہونے والے 76.0 ملین روپے کے آپریٹنگ نقصان کے مقابلے میں امسال اسی مدت کے دوران 16.5 ملین روپوں کا آپریٹنگ نفع ہوا۔ بوتلوں اور Preforms کی نسبت زیادہ فروخت کے حجم اور سپلائی چین انتظامات میں پیشگی انتظامی اقدامات کی وجہ سے، آپ کی کمپنی نے سال و سال تقابل کے مطابق گزشتہ سال ہونے والے 76 ملین روپوں کے آپریٹنگ نقصان کے مقابلے میں امسال 16.5 ملین روپوں کا نمایاں آپریٹنگ منافع حاصل کیا اور اس طرح 92.6 ملین روپے کی بہتری آئی۔

مالیاتی چارجز میں 18 فیصد اضافہ ہوا یعنی 39.8 ملین روپوں سے 47.1 ملین روپے رہا اور اس کی بنیادی وجہ PET Resin کی نسبت زیادہ قیمتیں اور پیداواری حجم میں اضافے کی وجہ سے اضافی ورکنگ کیسٹل کا استعمال تھی۔ یہ آپ کی کمپنی انتظامیہ کی مالیاتی لاگت میں کمی کے لیے زیادہ موثر کاروباری سلسلے کے ساتھ بینکوں اور DFIs سے بہتر شرائط پر گفٹ و شنید کی مسلسل کوششوں کی وجہ سے ہے۔

1HFY 20 کے مقابلے میں 115.9 ملین روپوں کے قبل از ٹیکس نقصان کے مقابلے میں 30.6 روپوں کا قبل از ٹیکس نقصان ریکارڈ کیا گیا اور اس طرح 85.3 ملین روپوں کی بہتری آئی۔ تاہم گزشتہ سال کی ششماہی میں 83.6 ملین روپوں کے بعد از ٹیکس نقصان کے مقابلے میں امسال اسی مدت کے دوران بعد از ٹیکس نقصان 15.4 ملین روپے رہا۔ اس طرح آپ کی کمپنی نے 68.1 ملین روپوں کے اضافے سے چلی سطح پر 81 فیصد بہتری کو حاصل کیا۔

مالی سال 2022 کی پہلی ششماہی کے لیے فی حصص نقصان (بنیادی اور گھٹا ہوا) 0.37 روپے ہے جو کہ گزشتہ سال اسی مدت کے دوران 1.99 روپے تھا۔

آپ کی کمپنی کے معاملات کی صحیح اور منصفانہ تصویر پیش کرنے کے لیے، پاکستانی روپے اور امریکی ڈالر کی برابری کی موجودہ گراؤٹ کے پس منظر میں، ہم نے اسٹیٹ بینک کے منظور شدہ معروف ویلیویٹر سے فکسڈ اثاثوں کی قدر و قیمت کا دوبارہ تعین کروایا ہے۔ دوبارہ تعین کے نتیجے میں 89.1 ملین روپوں کا اضافہ ریکارڈ کیا گیا ہے۔

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

## مستقبل کے امکانات:

تمام مینوفیکچرنگ کاروباروں پر اثر انداز ہونے والے بلند افراط زر کی صورتحال کے باوجود، آپ کی کمپنی بہتر منافع حاصل کرنے کے لیے تیار ہے کیونکہ ہم اس سال اپریل کے اوائل میں زیادہ فروخت والے گرمیوں کے موسم اور رمضان کے جلد شروع ہونے والے مقدس مہینے میں داخل ہو رہے ہیں۔ پریفارمز اور بوتلوں دونوں کی فروخت میں نمایاں نمو کی پیش بینی ایک خوش کن مشروب ساز انڈسٹری کے ساتھ ہم آہنگی میں کی گئی ہے جس میں کمزور پڑتے او میکرون وائرس کی نسبت مضبوطی سے بحال ہونے والی مارکیٹوں کی وجہ سے دوہرے ہندسوں کی نمو کی توقع ہے۔ پھلتی پھولتی نوجوان آباد جو ترقی کرنا اور خرچ کرنا چاہتی ہے، ایک فرد کے لیے کافی چھوٹے سائز کی مشروبائی اور پانی کی PET بوتلوں میں تھوڑی بہتر صورتحال بنا رہی ہے۔ یہ وہ رجحان ہے جس کے متعلق توقع ہے کہ ایک سے زائد فرد کے لیے کافی ڈیڑھ لٹر کی مشہور ہوم پیک بوتل کے ساتھ عددی اعتبار سے بڑھتا ہے۔ اس دوران یہ آہستگی سے قابل واپسی 250 ملی لیٹری کی شیشے کی بوتل (RGB) کی جگہ لے رہی ہے۔

’بڑے کنٹینرز‘ پروڈکٹ رینج جس میں آپ کی کمپنی نے چند سال پہلے سرمایہ کاری کی تھی اب اپنے اثرات دکھا رہی ہے اور فروخت پچھلے سال کے مقابلے میں تقریباً دوگنی ہو گئی ہے۔ خوردنی/کھانے کے تیل اور پینے کے پانی کے شعبوں میں پروڈکٹ اور گاہک کی تنوع تیزی خاص طور پر آف سیزن سردیوں کے موسم میں مضبوط ہو رہی ہے اور آنے والے سالوں میں اس سے نفع ہو گا۔


## خطرات:

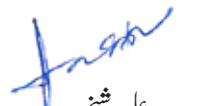
ایک مضبوط USD کی پشت پر بلند افراط زر (امریکہ میں مہنگائی میں اپنے ہی تیز رفتار اضافے کا مقابلہ کرنے کے لیے شرح سود میں اضافے کے لیے تیار ہے۔ گزشتہ 40 سالوں میں سب سے زیادہ شرح) اور خام تیل کی بین الاقوامی قیمتوں میں اضافہ پاکستان کے CAD کے لیے ایک شدید چیلنج ہے۔ میکرو اکنامک مینجمنٹ چونکہ تیل اور اجناس کی مہنگی درآمدات کی وجہ سے مالیاتی گنجائش کم ہوتی ہے، سود کی بڑھتی ہوئی شرحوں اور بڑھتے ہوئے ٹیکسوں کو ایک امکان کے طور پر تصور کیا جاتا ہے۔

جب ہم انتخابات سے پہلے کے سال میں داخل ہو رہے ہیں اور اس میں سیاسی ہتھکنڈوں اور پولرائزیشن میں حصہ لینے والی سیاسی جماعتیں اور اتحاد اقتدار کے لیے مقابلہ کرتے ہیں تو سیاسی غیر یقینی صورتحال بھی بڑھ جاتی ہے۔

ہماری قومی توانائی/بجلی کا مسئلہ اور مستقل طور پر بڑھتے ہوئے ”سرکالر ڈیٹ“ پر لگام ڈالنے کے لیے IMF کے سخت اقدامات ایک ایسے مینوفیکچرنگ سیکٹر کی مسابقت کے لیے اہم چیلنج ہیں جو پہلے ہی مہنگائی کی بلند قیمتوں سے دوچار ہے۔

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے۔

  
حسین جمیل  
چیف ایگزیکٹو آفیسر

  
اسد علی شیخ  
ڈائریکٹر

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



## ڈائریکٹرز کی رپورٹ کے مطابق ”ضمیمہ الف“

1. ڈائریکٹرز کی کل تعداد سات درج ذیل ہے:

a.	مرد:	06
b.	خواتین:	01

2. بورڈ کی تشکیل درج ذیل ہے:

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


\* محترمہ لیلیٰ جمیل کو 121<sup>واں</sup> BOD اجلاس میں جناب ریحان جمیل کی متبادل ڈائریکٹر مقرر کیا گیا تھا۔

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

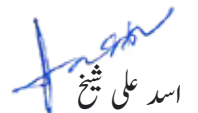
(a)	آڈٹ کمیٹی	(1) جناب اسد علی شیخ	چیئر مین
(2)	جناب عامر ظفر خان	رکن	
(3)	جناب احسن جمیل	رکن	
(4)	جناب علی جمیل	رکن	
(b)	انسانی وسائل اور معاوضہ (ایچ آر آر) کمیٹی	(1) جناب عامر ظفر خان	چیئر مین
(2)	جناب حسین جمیل	رکن	
(3)	جناب احسن جمیل	رکن	
(4)	جناب اسد علی شیخ	رکن	
(5)	مسز سونیا جمیل	رکن	

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

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

  
حسین جمیل  
چیف ایگزیکٹو آفیسر

برائے اور منجانب بورڈ آف ڈائریکٹرز

  
اسد علی شیخ  
ڈائریکٹر

تاریخ: 26 فروری، 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF ECOPACK LIMITED  
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of Ecopack Limited (the Company) as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three month period ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2021.

***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

***Other Matter***

The financial statements of the Company for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on October 6, 2021 before amendment. Further, the condensed interim financial statements of the Company for the six month period ended December 31, 2020 were reviewed by the same auditor who expressed an unmodified conclusion on March 3, 2021 before amendment.

The engagement partner on the audit resulting in this independent auditor's report is JehanZeb Amin.



A. F. Ferguson & Co.  
Chartered Accountants  
Islamabad  
February 28, 2022

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2021

		Un-audited December 31, 2021	Audited June 30, 2021
	Note	Rupees in thousand	
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	4	1,396,015	1,336,883
Intangible assets		4,885	5,291
Long term deposits		12,209	12,209
Deferred tax asset - net		2,131	-
		1,415,240	1,354,383
<b>CURRENT ASSETS</b>			
Inventories	5	528,340	442,389
Trade debts		200,588	228,181
Loans and advances	6	50,605	39,521
Deposits, prepayments and other receivables		24,105	4,722
Advance tax - net		45,066	36,767
Short term investments	7	7,125	7,125
Cash and bank balances		11,600	28,697
		867,429	787,402
<b>TOTAL ASSETS</b>		2,282,669	2,141,785
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	8	419,638	381,489
Revenue reserve - Unappropriated profits		305,410	347,347
Surplus on revaluation of property, plant and equipment	9	187,626	121,233
		912,674	850,069
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	10	103,747	139,511
Deferred grant		2,300	2,152
Lease liabilities	11	81,047	107,703
Employee benefits		36,704	33,979
Deferred tax liabilities - net		-	22,145
		223,798	305,490
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	177,075	212,608
Unclaimed dividend		2,830	2,761
Short term borrowings - secured		730,311	595,040
Short-term running finance - secured		51,286	-
Current maturity of non-current liabilities		184,695	175,817
		1,146,197	986,226
Contingencies and commitments	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		2,282,669	2,141,785

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

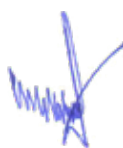
Director



**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021

		Three month period ended		Six month period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Note	Rupees in thousand			
Gross sales		659,681	332,152	1,878,511	1,083,896
Sales tax and discounts		(96,156)	(48,428)	(275,357)	(158,298)
Sales - net	14	563,525	283,724	1,603,154	925,598
Cost of sales	15	(557,273)	(305,316)	(1,512,857)	(916,840)
Gross profit / (loss)		6,252	(21,592)	90,297	8,758
Selling expenses		(7,000)	(6,985)	(13,426)	(13,525)
Administrative and general expenses		(30,739)	(25,861)	(59,276)	(46,953)
Other expenses		(556)	(24,181)	(610)	(24,181)
Other income		481	629	1,955	2,702
Net impairment losses on financial assets		(2,389)	(2,848)	(2,389)	(2,848)
		(40,203)	(59,246)	(73,746)	(84,805)
Operating profit / (loss)		(33,951)	(80,838)	16,551	(76,047)
Finance costs		(24,957)	(18,531)	(47,130)	(39,855)
(Loss) before taxation		(58,908)	(99,369)	(30,579)	(115,902)
Taxation					
- Current		(7,180)	(4,256)	(20,232)	(13,884)
- Deferred		25,226	31,437	35,329	46,188
		18,046	27,181	15,097	32,304
(Loss) for the period		(40,862)	(72,188)	(15,482)	(83,598)
(Loss) per share-basic and diluted (Rs) - Restated		(0.97)	(1.72)	(0.37)	(1.99)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

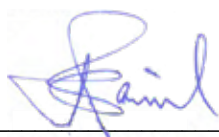
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	<b>December 31, 2021</b>	December 31, 2020	<b>December 31, 2021</b>	December 31, 2020
	Rupees in thousand			
(Loss) for the period	<b>(40,862)</b>	(72,188)	<b>(15,482)</b>	(83,598)
<b>Other comprehensive income / (loss):</b>				
- Surplus on revaluation of operating fixed assets	<b>89,141</b>	-	<b>89,141</b>	-
- Deferred tax	<b>(11,054)</b>	-	<b>(11,054)</b>	-
- Reversal of surplus on recognition of impairment loss on machinery held for sale	-	(3,690)	-	(3,690)
- Deferred tax	-	1,070	-	1,070
	<b>78,087</b>	(2,620)	<b>78,087</b>	(2,620)
<b>Total comprehensive income / (loss) for the period</b>	<b>37,225</b>	(74,808)	<b>62,605</b>	(86,218)

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021**

	Share Capital	Unappropriated profits	Surplus on revaluation of property, plant and equipment	Total
	Rupees in thousand			
<b>Balance as at July 1, 2020</b>	<b>381,489</b>	<b>284,558</b>	<b>138,582</b>	<b>804,629</b>
- Loss for the period	-	(83,598)	-	(83,598)
- Other comprehensive (loss)	-	-	(2,620)	(2,620)
<b>Total comprehensive income for the period</b>	-	(83,598)	(2,620)	(86,218)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation		7,744	(7,744)	-
<b>Balance as at December 31, 2020 - Un-audited</b>	<b>381,489</b>	<b>208,704</b>	<b>128,218</b>	<b>718,411</b>
<b>Balance as at July 1, 2021</b>	<b>381,489</b>	<b>347,347</b>	<b>121,233</b>	<b>850,069</b>
- Loss for the period	-	(15,482)	-	(15,482)
- Other comprehensive income	-	-	78,087	78,087
<b>Total comprehensive income for the period</b>	-	(15,482)	78,087	62,605
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	11,694	(11,694)	-
<b>Transaction with members recorded directly in equity</b>				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 10%	38,149	(38,149)	-	-
<b>Balance as at December 31, 2021 - Un-audited</b>	<b>419,638</b>	<b>305,410</b>	<b>187,626</b>	<b>912,674</b>

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021

	Note	Six month period ended	
		December 31, 2021	December 31, 2020
		Rupees in thousand	
<b>Cash flow from operating activities</b>			
(Loss) for the period - before taxation		<b>(30,579)</b>	(115,902)
Adjustments for non-cash items:			
Depreciation and amortization		<b>69,366</b>	62,492
(Gain) / loss on disposal of operating fixed assets		<b>(108)</b>	30
Impairment loss on operating fixed assets - held for sale		-	13,639
Loss allowance on trade debts		<b>2,389</b>	2,848
Cash settled share-based payment transaction		-	1,216
Provision for slow moving stock in trade		<b>402</b>	1,065
Provision for gratuity		<b>2,726</b>	9,865
Finance costs		<b>47,130</b>	42,202
		<b>91,326</b>	17,455
Changes in working capital			
(Increase) in inventories		<b>(86,353)</b>	(23,830)
Decrease in trade debts		<b>25,204</b>	119,485
(Increase) in loans and advances		<b>(6,363)</b>	(32,457)
(Increase) in deposits, prepayments and other receivables		<b>(19,383)</b>	(19,516)
(Decrease) in trade and other payables		<b>(35,533)</b>	(294)
		<b>(122,428)</b>	43,388
		<b>(31,102)</b>	60,843
Finance cost paid - short-term borrowings		<b>(27,326)</b>	(32,264)
Gratuity paid		-	(35,700)
Income taxes paid		<b>(28,531)</b>	(1,392)
<b>Net cash (used) in operating activities</b>		<b>(86,959)</b>	(8,513)
<b>Cash flow from investing activities</b>			
Purchase of property, plant and equipment		<b>(30,815)</b>	(12,522)
Advance for capital expenditure		-	(42,016)
Short term investments made		-	(7,125)
Sale proceeds from operating fixed assets		<b>1,453</b>	510
<b>Net cash (used in) investing activities</b>		<b>(29,362)</b>	(61,153)
<b>Cash flow from financing activities</b>			
Repayment of lease liabilities	11	<b>(44,206)</b>	(3,947)
Interest on unclaimed dividend account		<b>69</b>	-
Short-term borrowings (repaid) / received		<b>129,435</b>	18,999
Long-term finances (repaid)		<b>(33,040)</b>	104,014
Finance cost paid on long-term loans		<b>(4,320)</b>	(18,163)
<b>Net cash generated from financing activities</b>		<b>47,938</b>	100,903
Net (decrease) / increase in cash and cash equivalents		<b>(68,383)</b>	31,237
Cash and cash equivalents at beginning of the period		<b>28,697</b>	(20,093)
<b>Cash and cash equivalents at end of the period</b>	17	<b>(39,686)</b>	11,144

The annexed notes 1 to 24 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2021

### 1. Legal status and operations

Ecopack Limited (the Company) was incorporated in Pakistan on August 25, 1991 as a private limited company and converted to a public limited company on April 29, 1992 under the repealed Companies Ordinance, 1984 (repealed upon enactment of the Companies Act, 2017) and commenced its commercial production in 1993. The Company has its shares quoted on the Pakistan Stock Exchange Limited. The Company is principally engaged in manufacturing and sale of Polyethylene Terephthalate (PET) bottles and preforms for the market of beverages and other liquid packaging industry. The head office of the Company is situated at 19, Main Street City Villas, Near High Court Road, Rawalpindi and its registered office and manufacturing facility is located at Hattar Industrial Estate, Khyber Pakhtunkhwa.

### 2. Statement of compliance

These condensed interim financial statements for six month period ended December 31, 2021 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

The disclosures in these condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2021.

### 3. Significant accounting policies

The accounting policies and significant judgements made in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended June 30, 2021.

	Note	Un-audited December 31, 2021	Audited June 30, 2021
Rupees in thousand			
<b>4. Property, plant and equipment</b>			
Operating fixed assets	4.1	<b>1,025,221</b>	965,890
Right of use asset	4.2	<b>331,243</b>	346,230
Capital work-in-progress	4.3	<b>10,315</b>	440
Capital spares - net of depreciation		<b>29,236</b>	24,323
		<b>1,396,015</b>	1,336,883
<b>4.1 Operating fixed assets - at net book value</b>			
Net book value at the beginning of the period / year		<b>965,890</b>	1,010,060
Additions during the period / year	4.1.1	<b>25,332</b>	84,248
Transfers from capital work-in-progress to operating fixed asset		-	1,295
Revaluation during the period		<b>89,141</b>	-
Disposals during the period / year		<b>(1,345)</b>	(31,919)
Depreciation charged for the period / year		<b>(53,797)</b>	(97,794)
Net book value at the end of the period / year		<b>1,025,221</b>	965,890
<b>4.1.1 Additions during the period / year</b>			
Factory building and roads on lease-hold land		<b>929</b>	-
Plant and Machinery - owned		<b>16,918</b>	58,954
Factory equipment		<b>7,141</b>	21,414
Office equipment		<b>300</b>	3,724
Owned vehicles		<b>44</b>	156
		<b>25,332</b>	84,248
<b>4.2 Right of use asset</b>			
Net book value at the beginning of the period / year		<b>346,230</b>	374,018
Additions during the period / year		<b>177</b>	529
Transfers from capital work-in-progress to right of use asset		-	2,568
Depreciation charge		<b>(15,164)</b>	(30,885)
Net book value at the end of the period / year		<b>331,243</b>	346,230
<b>4.3 Capital work-in-progress</b>			
Net book value at the beginning of the period / year		<b>440</b>	935
Additions during the period / year	4.3.1	<b>9,875</b>	3,368
Transfers during the period / year		-	(3,863)
Net book value at the end of the period / year		<b>10,315</b>	440
<b>4.3.1 Additions during the period / year</b>			
Factory building and roads on lease-hold land		<b>199</b>	-
Plant and Machinery - owned		<b>194</b>	800
Vehicle - leased		<b>9,482</b>	2,568
		<b>9,875</b>	3,368



		<b>Un-audited December 31, 2021</b>	<b>Audited June 30, 2021</b>
	<b>Note</b>	<b>Rupees in thousand</b>	
<b>5 Inventories</b>			
Raw materials		<b>93,416</b>	106,102
Packing materials		<b>36,124</b>	23,471
Work in process - preforms		<b>271,448</b>	203,474
Finished goods - bottles		<b>62,198</b>	43,929
		<b>463,186</b>	376,976
Allowance for obsolete stocks		<b>(2,596)</b>	(2,194)
		<b>460,590</b>	374,782
Stores, spares and loose tools	5.1	<b>67,750</b>	67,607
		<b>528,340</b>	442,389
<b>5.1 Stores, spares and loose tools</b>			
Stores and spares		<b>105,246</b>	100,231
Loose tools		<b>2,585</b>	2,544
		<b>107,831</b>	102,775
Provision against slow moving stores and spares		<b>(10,415)</b>	(10,415)
Capital spares transferred to property, plant and equipment		<b>(29,666)</b>	(24,753)
		<b>67,750</b>	67,607
<b>6. Loans and advances</b>			
Advances to:			
Suppliers and contractors - unsecured		<b>39,527</b>	32,195
Employees - secured	6.1	<b>8,318</b>	4,199
Employees for expenses		<b>2,600</b>	3,127
		<b>50,445</b>	39,521
Advances to Directors of the Company		<b>160</b>	-
		<b>50,605</b>	39,521
6.1	It includes receivable from key management personnel against car financing amounting to Rs 6,202 thousand (June 30, 2021: Rs 2,254 thousand).		
<b>7. Short term investments</b>			
This represents Term Deposit Receipt (TDR) of Bank Al Habib Limited (the Bank) carrying mark up of 6.35% (June 30, 2021: 6.10%) per annum and maturing on November 2, 2022. This has been held as margin against Bank Guarantee issued by the Bank in favor of Sui Northern Gas Pipelines Limited as mentioned in note 13.2.1.			
<b>8. Share Capital</b>			
<b>8.1 Authorized share capital</b>			
This represents 50,000,000 (2021: 50,000,000) ordinary shares of Rs 10 each.			

## 8.2 Issued, subscribed and paid-up capital

Un-audited December 31, 2021 Number of shares	Audited June 30, 2021		Un-audited December 31, 2021 Rupees in thousand	Audited June 30, 2021
10,262,664	10,262,664	Ordinary shares of Rs 10/- each issued against cash	102,627	102,627
31,701,177	27,886,283	Ordinary shares of Rs 10/- each issued as fully paid bonus shares	317,011	278,862
<b>41,963,841</b>	<b>38,148,947</b>		<b>419,638</b>	<b>381,489</b>

8.3 The Company in its 30th annual general meeting dated October 28, 2021 approved issue of bonus shares at 10%.

## 9 Surplus on revaluation of property, plant and equipment

The Company follows revaluation model for leasehold land, factory building and plant & machinery. The fair value of these items were assessed by management based on independent valuation performed by an external property valuation expert as at December 31, 2021. For valuation of these items, the current market price or depreciated replacement cost method is used, whereby, current purchase / construction cost of similar items in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the period / year is as follows:

	Note	Un-audited December 31, 2021 Rupees in thousand	Audited June 30, 2021
Balance at the beginning of the year		160,663	185,098
Add: surplus on revaluation carried-out during the period / year		89,141	-
Transfer of surplus to unappropriated profit on disposal of operating fixed assets during the year / period		-	(2,625)
Incremental depreciation transferred to unappropriated profits		(16,470)	(21,810)
		<b>233,334</b>	<b>160,663</b>
Less: deferred tax on:			
- Balance as at beginning of the year		(39,430)	(46,516)
- Deferred tax on recognition of revaluation surplus for the period / year		(11,054)	-
- Deferred tax on disposal of operating fixed assets		-	761
- Deferred tax on Incremental depreciation charged during the period / year		4,776	6,325
		<b>(45,708)</b>	<b>(39,430)</b>
Balance at the end of the year		<b>187,626</b>	<b>121,233</b>

	Note	Un-audited December 31, 2021	Audited June 30, 2021
		Rupees in thousand	
<b>10. Long term finances - secured</b>			
<b>Loans from banking companies - secured</b>			
Askari Bank Limited	10.1 & 10.6	<b>31,984</b>	44,093
Bank Al-Habib Limited - I	10.2	<b>60,000</b>	68,000
Bank Al-Habib Limited - II	10.3 & 10.6	<b>38,023</b>	34,220
PAIR Investment Company Limited	10.4	<b>29,742</b>	32,555
JS Bank Limited	10.5 & 10.6	<b>26,533</b>	39,206
		<b>186,282</b>	218,074
Less: current portion of long term finances		<b>(82,535)</b>	(78,563)
Amount due after December 31, 2022		<b>103,747</b>	139,511
<b>10.1</b>	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% per annum 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.		
<b>10.2</b>	This represents term loan obtained in year 2019 for letter of credit arrangements of 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 May 24, 2019. It carries mark-up at 3 months KIBOR plus 1.5% per annum 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 April 10, 2020.		
<b>10.3</b>	This represents subsidized rate term loan obtained during the year 2020 under Temporary Economic Refinance Facility (TERF) of State Bank of Pakistan (SBP) for letter of credit arrangements of 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 March 1, 2022. It carries mark-up at 5% per annum payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs 171 million over imported / purchased machinery.		
<b>10.4</b>	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% per annum. The loan is secured by charge over plant and machinery of the Company amounting to Rs 54.71 million.		
<b>10.5</b>	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% per annum payable quarterly. The loan is secured by pari passu charge over land, building, plant and machinery of the Company amounting Rs 84.2 million.		
<b>10.6</b>	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.		

	Un-audited December 31, 2021	Audited June 30, 2021
	Rupees in thousand	
<b>11. Lease liabilities</b>		
Balance at the beginning of the period / year	197,417	235,880
Additions during the period / year	14,203	2,758
Unwinding of interest on lease liabilities	7,837	9,543
Payments made during the period / year	(44,206)	(50,764)
Balance at the end of the period / year	175,251	197,417
Less: Current portion shown under current liabilities	(94,204)	(89,714)
	81,047	107,703
<b>12. Trade and other payables</b>		
Trade creditors	110,403	130,358
Accrued and other liabilities	53,116	58,319
Payable to provident fund	1,443	1,506
Advances from customers	6,450	5,890
Sales tax payable	-	9,801
Withholding taxes payable	1,271	2,342
Workers' profit participation fund payable	3,676	3,676
Workers' welfare fund payable	716	716
	177,075	212,608
<b>13. Contingencies and commitments</b>		
<b>13.1 Contingencies</b>		
13.1.1	There has been no significant change in the status of contingencies as disclosed in note 23 to the audited financial statements of the Company for the year ended June 30, 2021.	
<b>13.2 Commitments</b>		
13.2.1	Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 63.23 million (June 2021: 63.23 million) in favor of the Company's fuel and utility suppliers.	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>
	<b>December</b>	<b>December</b>
	<b>31, 2021</b>	<b>31, 2021</b>
	December	December
	31, 2020	31, 2020
<b>14. Sales - net</b>	Rupees in thousand	
Sales		
- PET Preforms	332,109	151,818
- PET Bottles	327,572	180,334
	659,681	332,152
Less: Sales tax		
- PET Preforms	(48,258)	(25,073)
- PET Bottles	(47,595)	(23,202)
- Sales returns and discounts	(303)	(153)
	(96,156)	(48,428)
	563,525	283,724
	1,603,154	925,598



	Three-months period ended		Six-months period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Rupees in thousand			
<b>15. Cost of sales</b>				
Raw material consumed	477,714	194,026	1,137,191	612,579
Packing material consumed	20,798	10,112	53,011	32,769
Stores, spares and loose tools consumed	8,350	9,653	15,891	15,201
Salaries, wages and other benefits	50,325	41,298	109,042	87,695
Utilities	77,092	42,698	164,464	112,522
Travelling and conveyance	2,446	2,185	4,379	4,351
Vehicle running and maintenance	3,243	2,429	6,296	4,953
Rent	4,468	3,248	9,077	7,022
Repair and maintenance	2,144	2,218	4,173	4,335
Safety and security	2,226	2,204	4,918	5,036
Medical	1,592	2,218	3,355	3,990
Material movement charges	1,532	792	3,940	1,745
Communication charges	521	1,308	1,341	1,747
Printing, postage and stationery	507	487	1,139	835
Technical testing and analysis	253	84	465	263
Fees, subscription and professional charges	489	148	597	153
Entertainment	232	209	436	313
Staff welfare & support	1,022	863	2,225	1,644
Depreciation	29,848	28,582	59,551	57,555
Other expenses	47	16	89	28
	<b>684,849</b>	<b>344,778</b>	<b>1,581,580</b>	<b>954,736</b>
Work-in-process - opening	139,417	118,888	203,474	99,846
Work-in-process - closing	(271,448)	(171,384)	(271,448)	(171,384)
	<b>(132,031)</b>	<b>(52,496)</b>	<b>(67,974)</b>	<b>(71,538)</b>
Cost of goods manufactured	<b>552,818</b>	<b>292,282</b>	<b>1,513,606</b>	<b>883,198</b>
Finished goods - opening	59,825	36,519	43,929	48,077
Finished goods - closing	(62,198)	(26,124)	(62,198)	(26,124)
	<b>(2,373)</b>	<b>10,395</b>	<b>(18,269)</b>	<b>21,953</b>
Freight charges	6,828	2,639	17,520	11,689
	<b>557,273</b>	<b>305,316</b>	<b>1,512,857</b>	<b>916,840</b>
<b>16. Earnings per share - basic and dilute</b>				
<b>16.1 Basic</b>				
(Loss) after taxation (Rupees in '000›)	(40,862)	(72,188)	(15,482)	(83,598)
Weighted average number of ordinary shares	41,963,841	38,148,947	41,963,841	38,148,947
(Loss) per share - basic (Rupees) - Restated	(0.97)	(1.72)	(0.37)	(1.99)
<b>16.2 Diluted</b>				

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 December 31, 2021, which would have effect on the basic EPS, if the option to convert would have been exercised.

	Un-Audited December 31, 2021	Un-Audited December 31, 2020
	Rupees in thousand	
<b>17. Cash and cash equivalents</b>		
Cash and bank balances	11,600	12,558
Short-term running finance	(51,286)	(1,414)
	<u>(39,686)</u>	<u>11,144</u>

## 18. Financial Risk Management

### Financial risk factors

The Company's activities expose it to variety of financial risk namely market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

There have been no changes in the financial risk management policies of the Company during the period, consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### Fair value estimation

The carrying value of financial assets and liabilities reflected in financial statements approximate their respective fair value.

### Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer to determine the fair value of property, plant and equipment as at December 31, 2021. The revaluation surplus was credited to other comprehensive income and is shown as 'surplus on revaluation of property, plant and equipment'. The different levels have been defined as follows:

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

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 2 fair value of certain property, plant and equipment has been derived using the comparison approach. Sales prices of comparable property, plant and equipment in identical circumstances or close proximity are adjusted for differences in key attributes such as property size, structure, location, capacity etc. The most significant inputs into this valuation approach are price per marla, price per square feet, depreciated replacement cost etc.

### 19.1 Description of operating segments

## 19.2 Segment Information

The operating information of the reportable business segments is as follows:

## TOTAL

	For the three-month ended		For the six-month ended		For the three-month ended		For the six-month ended		For the six-month ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Total Sales	470,179	227,879	1,377,614	804,675	279,673	156,978	706,428	398,201	2,084,042	1,202,876
Less: Intersegment sales	(186,327)	(101,133)	(480,888)	(277,278)	-	-	-	-	(480,888)	(277,278)
Sales-net	283,852	126,746	896,726	527,397	279,673	156,978	706,428	398,201	1,603,154	925,598
Total Cost of Sales	(300,524)	(144,122)	(871,941)	(527,601)	(443,076)	(262,327)	(1,121,804)	(666,517)	(1,993,745)	(1,194,118)
Less: Intersegment cost	-	-	-	-	186,327	101,133	480,888	277,278	480,888	277,278
Cost of sales-net	(300,524)	(144,122)	(871,941)	(527,601)	(256,749)	(161,194)	(640,916)	(389,239)	(1,512,857)	(916,840)
Gross profit / (loss)	(16,672)	(17,376)	24,785	(204)	22,924	(4,216)	65,512	8,962	90,297	8,758
Selling expenses	(3,722)	(3,623)	(7,510)	(7,706)	(3,278)	(3,362)	(5,916)	(5,819)	(13,426)	(13,525)
Administrative and general expenses	(16,333)	(13,585)	(33,156)	(26,753)	(14,406)	(12,276)	(26,120)	(20,200)	(59,276)	(46,953)
Impairment loss on trade debts	(1,336)	-	(1,336)	-	(1,053)	(2,848)	(1,053)	(2,848)	(2,389)	(2,848)
	(21,391)	(17,208)	(42,002)	(34,459)	(18,737)	(18,486)	(33,089)	(28,867)	(75,091)	(63,326)
Loss from operations	(38,063)	(34,584)	(17,217)	(34,663)	4,187	(22,702)	32,423	(19,905)	15,206	(54,568)
	December 31, 2021	June 30, 2021			December 31, 2021	June 30, 2021			December 31, 2021	June 30, 2021
Segment assets	Rupees in thousand				Rupees in thousand				Rupees in thousand	
	1,142,220	1,167,353			925,259	855,567			2,067,479	2,022,920
Unallocated assets	-	-			-	-			215,190	118,865
	1,142,220	1,167,353			925,259	855,567			2,282,669	2,141,785
Segment liabilities	715,349	613,846			352,195	440,356			1,067,544	1,054,202
Unallocated liabilities	-	-			-	-			1,215,125	1,087,583
	715,349	613,846			352,195	440,356			2,282,669	2,141,785

**Reconciliations of information on reportable segments to the amounts reported in the interim statement of profit or loss:**

	December 31, 2021	December 31, 2020
	Rupees in thousand	
Operating profit/ (loss) of the reportable segments	15,206	(54,568)
Add: other income	1,955	2,702
Less: other expenses	(610)	(24,181)
Finance costs	(47,130)	(39,855)
(Loss) before taxation as per interim statement of profit or loss	(30,579)	(115,902)

## 20. Transactions and balances with related parties

The Company has related party relationship, with its directors, key management personnel and employee benefit plan. The Company in the normal course of business carries out transactions with various related parties. There were no transactions with key management personnel other than under the terms of employment. Aggregate transactions with the related parties during the period were as follows:

	Three-month period ended		Six-month period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
<b>Transactions during the period</b>				
Contribution to staff provident fund	2,245	958	4,497	1,938
Contribution to employees' gratuity fund		-	-	35,700
Remuneration to key management personnel	14,954	11,644	29,908	23,287
Directors fee	700	675	1,400	1,350
Advances to directors	160	-	160	-
Bonus shares issued				
	6,593	-	6,593	-

Un-audited  
December  
31, 2021  
Audited  
June  
30, 2021  
Rupees in thousand

### Payable / as on date of statement of financial position with:

Ecopack Employees' Provident Fund Trust	1,443	1,506
Ecopack - Employees' Gratuity Fund Trust	36,704	33,978

## 21. Seasonality

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

## 22. Impact of COVID - 19 on the condensed interim financial statements

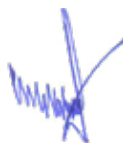
The spread of Covid-19 as a pandemic and consequent imposition of lock down by Federal and Provincial Governments of Pakistan (Authorities) caused an overall economic slow down and disruption to various businesses. While this is still an evolving situation at the time of issuing these condensed interim financial statements, the management believes that there is no discernible impact is on the amounts being reported in these financial statements, however the future effects cannot be predicted. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

## 23. General

Figures in these condensed interim financial statements have been rounded-off to the nearest thousand Rupees.

## 24. Date of authorization for issue

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on February 26, 2022.



Chief Financial Officer



Chief Executive Officer



Director

Manufacturers Of Quality PET Bottles and Preforms



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