
Condensed Interim **Financial Statements**

For the Half Year ended
December 31, 2022 (Un-Audited)

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Quality *is our*
Forté



Vision & Mission Statement

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



Corporate **Strategy**

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



COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Muhammad Kamran Nasir	Chairman
Mr. Hussain Jamil	Chief Executive Officer
Mr. Ameen Jan	Non-Executive Director
Mr. Arif Ahmed Siddiqui	Non-Executive Director
Mr. Junaid Hameed Dagia	Non-Executive Director
Mr. Omer Tariq	Non-Executive Director
Mrs. Sonya Jamil	Non-Executive Director

AUDIT COMMITTEE

Mr. Ameen Jan	Chairman
Mr. Arif Ahmed Siddiqui	Member
Mr. Omer Tariq	Member
Mrs. Sonya Jamil	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Junaid Hameed Dagia	Chairman
Mr. Arif Ahmed Siddiqui	Member
Mr. Omer Tariq	Member
Mrs. Sonya Jamil	Member

CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

COMPANY SECRETARY

Mr. Awais Imdad

BANKERS

Bank Al-Habib Limited	Habib Bank Limited
JS Bank Limited	Bank of Khyber
Askari Bank Limited	PAIR Investment Co. Ltd.

AUDITORS

M/s. A. F. Ferguson & Co.	Chartered Accountants
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SHARE REGISTRAR

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

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

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

DIRECTORS' REPORT

The Board of directors of EcoPack Limited is pleased to present its Directors Report along with the Reviewed financial statements and Auditors' Report for the 6-month period ended 31st December 2022:

OVERVIEW

The period under review has been arguably the most tumultuous and perhaps the most financially disruptive in the recent macroeconomic and socio-political landscape of Pakistan. Due to economic and the ongoing political uncertainty, the country has increasingly spiraled downwards as the GOP prepares to meet the IMF conditionalities and restore the program presently in abeyance. This has resulted in runaway inflation as the country struggles with a declining PKR versus a strong USD plus high crude oil prices internationally which spell havoc for a largely import based economy. The resulting sharp increases in prices of electricity, diesel, inland freight, raw & packing materials, imported spares, interest rates/KIBOR, have all combined to drastically increase the COGS of all manufacturing businesses.

Following the worst floods in the country's history whereby a third of the land mass of the country was inundated and logistical infrastructure was severely damaged, your company's main customer base comprising an otherwise dynamic and high growth Beverage industry, experienced negative growth trends during this period. This delivered a double blow to our business as costs spiraled out of control and demand weakened as the 2nd quarter winter months, as expected, further slowed sales on a QoQ basis. Thus, your company was unable to absorb its fixed cost fully as low output significantly increased the per unit fixed costs incurred during the first half-year of FY2023, while financial charges almost doubled due to massive increases in the SBP discount rate.

Despite the afore-mentioned challenges, your company's management implemented price increases wherever possible, although this is fraught with difficulties when demand is shrinking with ample production capacities in the market during the winter off-season sales. While Preform sales fell by 38% over the same period last year, better margin bottle sales increased by 12% by comparison. As PET resin prices declined briefly due to price fluctuations in crude oil supply-chain materials and the extraordinarily high shipping freight rates went through a substantial correction simultaneously, the decreasing commodity prices also resulted in some inventory loss as compared to an inventory gain in the comparative period last year.

SALES & FINANCIAL HIGHLIGHTS

Net sales revenue increased by 16% from Rs. 1.6 billion to Rs. 1.8 billion as compared to the corresponding half year last year. The major contribution to this revenue growth is the increase in Bottles sales volume by 12% during the 1HFY23. Due to the terrible floods and dislocation of a huge population, sales volume of Preforms could not be achieved as compared to the same period last year, hence, the fixed cost could not be absorbed at the required level. Electricity cost has substantially increased by 44.5%. Due to significant inflationary impact on the overall economy of Pakistan, various costs escalated sharply against the last year's same period, hence, we have recorded a gross loss of Rs. 38.2 million against gross profit of Rs. 90.3 million same period last year. Similarly, Operating Loss has been recorded at Rs. 122.8 million against an Operating Profit of Rs. 16.5 million last year on a HoH basis.

Financial charges have significantly increased from Rs. 47.1 million to Rs. 91.8 million, an increase of 95% mainly on account of the sharp increase in KIBOR / the SBP discount rate plus significantly high PET Resin prices. KIBOR increased from 10.5% last year to 17.1% during 1HFY23 i.e., an increase of 63%.

Pre-tax loss is recorded at Rs. 214.6 million against a pre-tax loss of Rs. 30.6 million as compared to last year's first half. However, Post-tax loss comes to Rs. 163.9 million against a post-tax loss of Rs. 15.5 million same period last year.

Loss per share (basic and diluted) for the first half of FY 2023 is Rs. 3.40 per share against loss per share of Rs. 0.29 per share for the last year's corresponding half year.

FUTURE OUTLOOK

In the face of sharp inflationary headwinds and an uncertain economic storm anticipated ahead, your company's experienced management team, having time-tested relationships with longstanding customers, is determined to recover hitherto losses and post profits as the year ends. This will require a host of converging actions such as rational and justifiable price increases to cover rising costs, aggressive sales of products in a competitive market, plus cost-efficient Supply-Chain management and procurement of key raw & packing materials. These are essential and crucial actions to remain both competitive for our customers as well as profitable for all our stakeholders.

Although a macro-economic balance of payments crisis persists and has worsened in the past few months leading to delays in forex payments for imported spares and LC's, etc., your company's management is taking steps to ensure that annual maintenance and essential actions are in place to fulfill its financial and contractual obligations.

Your company has further diversified its customer base by adding new parties both in its traditional soft-drinks business as well as in the 'Large Bottle' segment of edible oil, juices, drinking water, liquid medicines, etc. This is ensuring higher sales in the winter off-season enabling improved and uniform cash-flows.

RISKS

Macro-economic uncertainty and political upheavals in the country remain the most serious challenges that the economy and businesses face.

OTHER MATTERS

There is a Civil Suit No. 1954 of 2022 at the Honorable Sindh High Court (SHC) filed by the CEO of the Company against the Company, some Shareholders and the Board of Directors which is pending adjudication. In the suit, the incumbent CEO has challenged, inter alia, his removal as the CEO and acquisition of shares in the Company by certain shareholders in alleged violation of takeover laws.

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



AMEEN JAN
DIRECTOR

Date: April 26, 2023



HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

"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. Ameen Jan
 - (2) Mr. Junaid Hameed Dagia
 - b) **Non-executive Directors**
 - (1) Mr. Muhammad Kamran Nasir
 - (2) Mr. Arif Ahmed Siddiqui
 - (3) Mr. Omer Tariq
 - c) **Executive Director**
 - (1) Mr. Hussain Jamil
 - d) **Female Director**
 - (1) Mrs. Sonya Jamil (Non-executive Director)

3. The Board has formed committees comprising members as given below:
 - a) **Audit Committee**

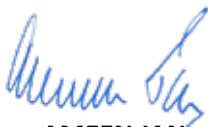
(1)	Mr. Ameen Jan	-	Chairman
(2)	Mr. Arif Ahmed Siddiqui	-	Member
(3)	Mr. Omer Tariq	-	Member
(4)	Mrs. Sonya Jamil	-	Member

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

(1)	Mr. Junaid Hameed Dagia	-	Chairman
(2)	Mr. Arif Ahmed Siddiqui	-	Member
(3)	Mr. Omer Tariq	-	Member
(4)	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



AMEEN JAN
DIRECTOR

Date: April 26, 2023



HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 31 دسمبر 2022 کو ختم ہونے والی 6 ماہ کی مدت کے لئے جائزہ شدہ مالی بیانات اور آڈیٹرز کی رپورٹ کے ساتھ اپنی ڈائریکٹرز رپورٹ پیش کرنے پر خوشی کا اظہار کیا ہے:

جائزہ

زیر نظر دور پاکستان کے حالیہ میکرو اکنامک اور سماجی و سیاسی منظر نامے میں سب سے زیادہ ہنگامہ خیز اور شاید سب سے زیادہ مالی طور پر تباہ کن رہا ہے۔ معاشی بدانتظامی اور جاری سیاسی غیر یقینی صورتحال کی وجہ سے ملک تیزی سے گراؤ کا شکار ہو رہا ہے کیونکہ حکومت پاکستان IMF کی شرائط کو پورا کرنے اور اس وقت معطل پروگرام کو بحال کرنے کی تیاری کر رہا ہے۔ جسکی وجہ سے افراط زر میں تیزی سے اضافہ ہوا ہے کیونکہ ملک عالمی سطح پر مضبوط امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور خام تیل کی اونچی قیمتوں سے نبرد آزما ہے جو بڑے پیمانے پر درآمدات پر مبنی معیشت کے لئے تباہی کا باعث ہے۔ اس کے نتیجے میں بجلی، ڈیزل، اندرون ملک مال برداری، خام اور پیننگ مواد، درآمد شدہ اسپینرز، شرح سود / KIBOR کی قیمتوں میں تیزی سے اضافہ نے تمام صنعتی کاروباروں کے COGS میں بہت زیادہ اضافہ کیا ہے۔

ملکی تاریخ کے بدترین سیلاب کے بعد جہاں ملک کا ایک تہائی رقبہ زیر آب آگیا اور لاجسٹک انفراسٹرکچر کو شدید نقصان پہنچا، آپ کی کمپنی کے اہم اور بنیادی صارفین جن میں ایک متحرک اور اعلیٰ ترقی یافتہ مشروبات کی صنعت بھی شامل ہے، نے اس عرصے کے دوران منفی نمو کے رجحانات کا سامنا کیا۔ اس سے ہمارے کاروبار کو دوہرا دھچکا لگا کیونکہ اخراجات قابو سے باہر ہو گئے اور طلب کمزور ہو گئی کیونکہ توقع کے مطابق موسم سرما کی دوسری سہ ماہی کے مہینوں میں QoQ کی بنیاد پر فروخت مزید سست ہو گئی۔ اس طرح آپ کی کمپنی اپنی طے شدہ لاگتی اخراجات کو پورا کرنے سے قاصر رہی کیونکہ کم پیداوار نے مالی سال 2023 کی پہلی ششماہی کے دوران فی یونٹ طے شدہ اخراجات میں نمایاں اضافہ کیا، جبکہ اسٹیٹ بینک کے رعایتی نرخوں میں بڑے پیمانے پر اضافے کی وجہ سے مالیاتی اخراجات تقریباً دوگنا ہو گئے۔

مندرجہ بالا چیلنجوں کے باوجود، آپ کی کمپنی کی انتظامیہ نے جہاں بھی ممکن ہوا قیمتوں میں اضافے کو نافذ کیا ہے، اگرچہ یہ مشکلات سے بھرا ہوا ہے جب موسم سرما کے آف سیزن فروخت کے دوران مارکیٹ میں پیداواری صلاحیت کے ساتھ طلب کم رہی ہے۔ گزشتہ سال کے اسی عرصے کے مقابلے میں Preform کی فروخت میں 38 فیصد کمی واقع ہوئی جبکہ اسکے مقابلہ میں بہتر مارجن والی بوتلوں کی فروخت میں 12 فیصد اضافہ ہوا۔ چونکہ خام تیل کی سپلائی چین کے مواد میں قیمتوں میں اتار چڑھاؤ کی وجہ سے Pet Resin کی قیمتوں میں مختصر کمی واقع ہوئی اور غیر معمولی طور پر بڑھے ہوئے سمندری کرایوں کی مدد میں کافی بہتری ہوئی، خام مال کی قیمتوں میں کمی کے نتیجے میں پچھلے سال اسی عرصہ کے دوران Inventory میں اضافے کے مقابلے میں کچھ نقصان بھی ہوا۔

فروخت اور مالی جھلکیاں

مجموعی فروخت سے ہونے والا نفع گزشتہ سال کی اسی ششماہی کے مقابلے میں 16 فیصد اضافے کے ساتھ 1.6 ارب روپے سے بڑھ کر 1.8 ارب روپے تک پہنچ گیا۔ آمدنی میں اس اضافے میں سب سے بڑا حصہ 1HFY 23 کے دوران بوتلوں کی فروخت کے حجم میں 12 فیصد اضافہ ہے۔ خوفناک سیلاب اور بڑی آبادی کی نقل مکانی کی وجہ سے Preforms کی فروخت کا حجم گزشتہ سال کے اسی عرصے کے مقابلے میں حاصل نہیں کیا جا سکا، لہذا مقررہ لاگت کو مطلوبہ سطح پر نہیں لایا جا سکا۔ بجلی کی قیمت میں 44.5 فیصد اضافہ ہوا ہے۔ پاکستان کی مجموعی معیشت پر افراط زر کے نمایاں اثرات کی وجہ سے گزشتہ سال کے اسی عرصے کے مقابلے میں مختلف اخراجات میں تیزی سے اضافہ ہوا، لہذا ہم نے گزشتہ سال کے اسی عرصے کے 90.3 ملین روپے کے مجموعی منافع کے مقابلے میں 38.2 ملین روپے کا مجموعی نقصان ہوا۔ اسی طرح آپریٹنگ خسارہ 122.8 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال HoH کی بنیاد پر آپریٹنگ منافع 16.5 ملین روپے تھا۔

فنانشل چارجز 47.1 ملین روپے سے بڑھ کر 91.8 ملین روپے تک پہنچ گئے ہیں، جس کی بنیادی وجہ KIBOR / اسٹیٹ بینک ڈسکاونٹ ریٹ میں تیزی سے اضافے اور PET Resin کی قیمتوں میں نمایاں اضافہ ہے۔ KIBOR گزشتہ سال کے 10.5 فیصد سے بڑھ کر 17.1 فیصد ہو گیا یعنی 63 فیصد کا اضافہ۔

قبل از ٹیکس خسارہ 214.6 ملین روپے کی سطح پر رہا جبکہ گزشتہ سال کی پہلی ششماہی کے مقابلے میں قبل از ٹیکس خسارہ 30.6 ملین روپے تھا۔ تاہم بعد از ٹیکس خسارہ 163.9 ملین روپے ہے جبکہ گزشتہ سال اسی عرصے میں 15.5 ملین روپے کا بعد از ٹیکس نقصان ہوا تھا۔

مالی سال 2023ء کی پہلی ششماہی کے لئے فی حصص خسارہ (Basic & Diluted) 3.40 روپے فی حصص ہے جبکہ پچھلے سال کی اسی ششماہی کے لئے فی حصص نقصان 0.29 روپے تھا۔

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

مستقبل کا نقطہ نظر

افراط زر میں ہوئی بڑھوتری اور معاشی غیر یقینی صورتحال کا سامنا کرتے ہوئے، آپ کی کمپنی کی تجربہ کار مینجمنٹ ٹیم، جس کے پرانے گاؤوں کے ساتھ طویل المدتی تعلقات ہیں، سال کے اختتام پر اب تک کے نقصانات کی بحالی اور منافع کے بعد کے لئے پر عزم ہے۔ اس کے لئے بڑھتی ہوئی لاگت کو پورا کرنے کے لئے معقول اور مناسب قیمتوں میں اضافے، مسابقتی مارکیٹ میں مصنوعات کی جارحانہ فروخت، اس کے ساتھ ساتھ لاگت موثر سپلائی چین مینجمنٹ اور اہم خام اور پیکنگ مواد کی خریداری جیسے متعدد مربوط اقدامات کی ضرورت ہوگی۔ یہ ہمارے صارفین کے لئے مسابقتی ہونے کے ساتھ ساتھ ہمارے تمام اسٹیک ہولڈرز کے لئے منافع بخش رہنے کے لئے ضروری اور اہم اقدامات ہیں۔

اگرچہ ادائیگیوں کے میکرو اقتصادی توازن کا بحران برقرار ہے اور گزشتہ چند مہینوں میں بدتر ہو گیا ہے جس کی وجہ سے درآمد شدہ اسپیرز اور لیل سی وغیرہ کے لئے فاریکس ادائیگیوں میں تاخیر ہوئی ہے، آپ کی کمپنی کی انتظامیہ اس بات کو یقینی بنانے کے لئے اقدامات کر رہی ہے کہ اس کی مالی اور معاہدوں کی ذمہ داریوں کو پورا کرنے کے لئے سالانہ دیکھ بھال اور ضروری اقدامات موجود ہیں۔

آپ کی کمپنی نے اپنے روایتی مشروبات کے کاروبار کے ساتھ ساتھ خوردنی تیل، جوس، پینے کے پانی اور مائع ادویات وغیرہ کے لیے 'بڑی بوتل' کے شعبہ میں نئے صارفین کو شامل کر کے اپنے بنیادی صارفین کو مزید متنوع بنایا ہے۔ اس سے موسم سرما کے کم فروخت والے عرصہ میں زیادہ فروخت کو یقینی بنایا جا رہا ہے جس سے بہتر اور یکساں نقد بہاؤ ممکن ہو رہا ہے۔

خطرات

ملک میں میکرو اکنامک غیر یقینی صورتحال اور سیاسی ہلچل معیشت اور کاروباری اداروں کو درپیش سنگین ترین مشکلات ہیں۔

دیگر معاملات

کمپنی کے CEO کی جانب سے کمپنی، کچھ شیئرز ہولڈرز اور بورڈ آف ڈائریکٹرز کے خلاف سندھ ہائی کورٹ میں 2022 کا سول مقدمہ نمبر 1954 دائر ہے جو فیصلہ زیر التوا ہے۔ اس مقدمے میں موجودہ سی ای او نے دیگر چیزوں کے ساتھ ساتھ سی ای او کے عہدے سے ان کی برطرفی اور کمپنی میں کچھ شیئرز ہولڈرز کے ذریعے حصص کے حصول کو چیلنج کیا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے اور



حسین جمیل
چیف ایگزیکٹو آفیسر



امین خان
ڈائریکٹر

تاریخ: 26 اپریل، 2023

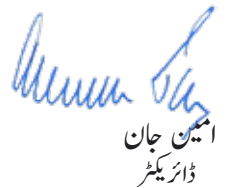
ڈائریکٹرز کی رپورٹ کے مطابق ”ضمیمہ الف“

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
(1) جناب امین جان
(2) جناب جنید حمید ڈاگیا
 - (b) نان ایگزیکٹو ڈائریکٹرز
(1) جناب محمد کامران ناصر
(2) جناب عارف احمد صدیقی
(3) جناب عمر طارق
 - (c) ایگزیکٹو ڈائریکٹرز
(1) جناب حسین جمیل
 - (d) خاتون ڈائریکٹر
(1) مسز سونیا جمیل (نان ایگزیکٹو ڈائریکٹر)
3. بورڈ نے ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں جیسا کہ ذیل میں دیا گیا ہے:
 - (a) آڈٹ کمیٹی
 - (1) جناب امین جان چیئرمین
 - (2) جناب عارف احمد صدیقی رکن
 - (3) جناب عمر طارق رکن
 - (4) مسز سونیا جمیل رکن
 - (b) انسانی وسائل اور معاوضہ (ایچ آر آر) کمیٹی
 - (1) جناب جنید حمید ڈاگیا چیئرمین
 - (2) جناب عارف احمد صدیقی رکن
 - (3) جناب عمر طارق رکن
 - (4) 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 قدرتی قیمت پیدا کرنے کے لیے ضرورت ہے۔
 - BOD کا کوئی رکن انفرادی طور پر اپنے معاوضے کا تعین نہیں کرے گا۔

برائے اور منجانب بورڈ آف ڈائریکٹرز



حسین جمیل
چیف ایگزیکٹو آفیسر



امین جان
ڈائریکٹر

تاریخ: 26 اپریل، 2023

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, 2022 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, 2022 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2022.

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 are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

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



Chartered Accountants Islamabad

Date: May 5, 2023


UDIN:RR202210083HWzIOG7rw

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

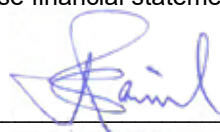
AS ON DECEMBER 31, 2022

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees in thousand			
NON CURRENT ASSETS			
Property, plant & equipment	4	1,387,764	1,424,091
Intangible assets		4,071	4,477
Long term deposits		13,821	12,609
Deferred tax asset - net	5	61,285	-
		1,466,941	1,441,177
CURRENT ASSETS			
Stores, spares and loose tools	6	91,469	84,827
Stock-in-trade	7	662,862	384,593
Trade debts		203,616	440,522
Loans and advances	8	116,259	80,211
Deposits, prepayments and other receivables		63,238	4,611
Advance tax - net		11,907	33,116
Short-term investments	9	7,125	7,125
Cash and bank balances		5,864	25,715
		1,162,340	1,060,720
TOTAL ASSETS		2,629,281	2,501,897
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	10	482,584	419,638
Revenue reserve - Unappropriated profits		214,160	427,835
Surplus on revaluation of property, plant and equipment	11	173,552	183,580
		870,296	1,031,053
NON-CURRENT LIABILITIES			
Long term finances - secured	12	51,670	84,343
Deferred government grant		1,327	1,783
Lease liabilities	13	53,829	68,710
Deferred tax liabilities - net		-	16,714
		106,826	171,550
CURRENT LIABILITIES			
Employees' retirement benefits		35,525	33,418
Trade and other payables	14	349,778	478,466
Unclaimed dividend		3,138	2,937
Short term borrowings - secured		1,092,383	606,640
Short term running finance - secured		32,439	202
Current maturity of non-current liabilities		138,896	177,631
		1,652,159	1,299,294
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		2,629,281	2,501,897

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

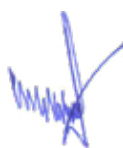


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	Three month period ended		Six month period ended	
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
		Rupees in thousand			
Revenue from contracts with customers		738,755	659,681	2,183,680	1,878,511
Sales tax and discounts		(107,704)	(96,156)	(318,670)	(275,357)
Revenue from contracts with customers - net	16	631,051	563,525	1,865,010	1,603,154
Cost of sales	17	(673,130)	(557,273)	(1,903,242)	(1,512,857)
GROSS (LOSS)/ PROFIT		(42,079)	6,252	(38,232)	90,297
Selling expenses		(8,468)	(7,000)	(16,590)	(13,426)
Administrative and general expenses		(36,218)	(30,739)	(67,157)	(59,276)
Other expenses		(327)	(556)	(633)	(610)
Other income		3,403	481	3,403	1,955
Net impairment losses on financial assets		(3,583)	(2,389)	(3,583)	(2,389)
		(45,193)	(40,203)	(84,560)	(73,746)
OPERATING (LOSS) /PROFIT		(87,272)	(33,951)	(122,792)	16,551
Finance cost		(46,698)	(24,957)	(91,794)	(47,130)
LOSS BEFORE TAXATION		(133,970)	(58,908)	(214,586)	(30,579)
- Current		(8,247)	(7,180)	(24,171)	(20,232)
- Deferred		33,939	25,226	74,801	35,329
Taxation		25,692	18,046	50,630	15,097
LOSS FOR THE PERIOD		(108,278)	(40,862)	(163,956)	(15,482)
Loss per share - basic and diluted (Rs.)	18	(2.24)	(0.85)	(3.40)	(0.29)

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

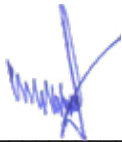


Director

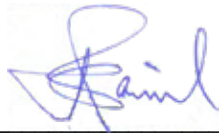
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022**

	<u>Three month period ended</u>		<u>Six month period ended</u>	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees in thousand			
LOSS FOR THE PERIOD	(108,278)	(40,862)	(163,956)	(15,482)
OTHER COMPREHENSIVE INCOME / (LOSS):				
Other comprehensive income / (loss):				
- Surplus on revaluation of operating fixed assets	-	89,141	-	89,141
- Deferred tax	3,199	(11,054)	3,199	(11,054)
	3,199	78,087	3,199	78,087
TOTAL COPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	(105,079)	37,225	(160,757)	62,605

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

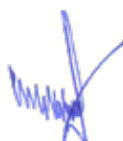


Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Share Capital	Unappropriated profits	Surplus on revaluation of property and plant	Total
----- Rupees in thousand -----				
Balance as at July 1, 2021	381,489	347,347	121,233	850,069
- Loss for the period	-	(15,482)	-	(15,482)
- Other comprehensive Income	-	-	78,087	78,087
Total comprehensive income/(loss) for the period	-	(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)	-
Transaction with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 10%	38,149	(38,149)	-	-
Balance as at December 31, 2021 - un-audited	419,638	305,410	187,626	912,674
Balance as at July 1, 2022	419,638	427,835	183,580	1,031,053
- Loss for the period	-	(163,956)	-	(163,956)
- Other comprehensive income	-	3,199	-	3,199
Total comprehensive income for the period	-	(160,757)	-	(160,757)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	10,028	(10,028)	-
Transaction with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 15%	62,946	(62,946)	-	-
Balance as at December 31, 2022 - un-audited	482,584	214,160	173,552	870,296

The annexed notes 1 to 27 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

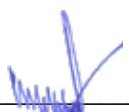


Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2022

	Note	Six month period ended	
		December 31, 2022	December 31, 2021
Rupees in thousand			
CASH FLOW FROM OPERATING ACTIVITIES			
Loss for the period - before taxation		(214,586)	(30,579)
Adjustments for non-cash items:			
Depreciation and amortization		71,337	69,366
(Gain) / loss on disposal of property, plant and equipment		(834)	(108)
Loss allowance on trade debts		3,583	2,389
Provision for slow moving stock in trade	7	118	402
Write down to net realisable value	7	810	-
Provision for gratuity		4,145	2,726
Unwinding of interest on lease liabilities	13	9,025	7,837
Finance cost		91,794	47,130
		(34,608)	99,163
Changes in working capital			
Increase in stores and spares	6	(6,642)	(143)
Increase in stock in trade	7	(279,197)	(86,210)
Decrease in trade debts		233,323	25,204
Increase in loans and advances	8	(36,048)	(6,363)
Increase in deposits, prepayments and other receivables		(58,627)	(19,383)
Decrease in trade and other payables	14	(128,688)	(35,533)
		(275,879)	(122,428)
		(310,487)	(23,265)
Finance cost paid - short term borrowings		(59,195)	(27,326)
Contributions to gratuity		(2,035)	-
Income taxes paid		(2,962)	(28,531)
Net cash (used in) operating activities		(374,679)	(79,122)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(27,096)	(30,815)
Sale proceeds from disposal of property, plant and equipment		13,072	1,453
Change in long term deposits		(1,212)	-
Net cash (used in) investing activities		(15,236)	(29,362)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	13	(73,309)	(52,043)
Repayment of long-term finances		(41,553)	(33,040)
Interest on unclaimed dividend		201	69
Short-term borrowings received		470,144	129,435
Finance cost paid on long-term finances and lease liabilities		(17,656)	(4,320)
Net cash generated from financing activities		337,827	40,101
NET DECREASE IN CASH AND CASH EQUIVALENTS		(52,088)	(68,383)
Cash and cash equivalents at beginning of the period		25,513	28,697
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	19	(26,575)	(39,686)

The annexed notes 1 to 27 form an integral part of these 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, 2022

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 then applicable 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, 2022 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, 2022.

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, 2022.

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees in thousand			
4. Property, plant and equipment			
Operating fixed assets	4.1	1,346,479	1,385,930
Capital work-in-progress	4.3	6,494	12,890
Capital spares - net of depreciation		34,791	25,271
		1,387,764	1,424,091
4.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		1,385,930	1,312,120
Additions during the period / year	4.1.1	43,714	120,762
Revaluation during the period		-	89,141
Disposals during the period / year		(12,238)	(3,529)
Depreciation charged for the period / year		(70,927)	(132,564)
Net book value at the end of the period / year		1,346,479	1,385,930
4.1.1 Additions during the period / year			
Factory building and roads on lease-hold land		620	929
Plant and Machinery - owned		440	39,500
Plant and Machinery - right of use		-	37,688
Factory equipment		13,708	26,126
Office equipment		1,092	3,137
Vehicle - owned		1,484	53
Vehicle - right of use		26,370	13,329
		43,714	120,762
4.2 Right of use assets			
Net book value at the beginning of the period / year		362,145	346,230
Additions during the period / year		26,370	51,017
Transfers from right of use asset to owned assets		(8,598)	(661)
Net book value of disposals		(3,675)	(2,167)
Depreciation charge		(18,427)	(32,275)
Net book value at the end of the period / year		357,815	362,145
4.3 Capital work-in-progress			
Net book value at the beginning of the period / year		12,890	440
Additions during the period / year		17,879	25,994
Transfers during the period / year		(24,275)	(13,544)
Net book value at the end of the period / year		6,494	12,890

		Un-audited December 31, 2022	Audited June 30, 2022
5. Deferred tax (asset)/liability - net			
		Rupees in thousand	
Taxable temporary differences arising in respect of:			
- Accelerated depreciation and amortization		125,724	121,003
- Revaluation on surplus of property, plant and equipment		39,840	56,910
- Right-of-use-assets		84,240	57,227
		249,804	235,140
Deductible temporary differences arising in respect of:			
- Staff retirement benefit - gratuity		(11,014)	(10,359)
- Carried forward tax losses		(88,395)	(20,971)
- Minimum tax		(202,763)	(178,593)
- Provisions		(8,917)	(8,503)
		(311,089)	(218,426)
		(61,285)	16,714
5.1	The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Company. The existence of future taxable profits is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Company. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Company will be able to achieve the profits projected in the business plan.		
		Un-audited December 31, 2022	Audited June 30, 2022
6. Stores, spares and loose tools			
		Rupees in thousand	
Stores and spares		134,298	118,137
Loose tools		2,807	2,806
		137,105	120,943
Provision against slow moving stores and spares		(10,415)	(10,415)
Capital spares transferred to property, plant and equipment		(35,221)	(25,701)
		91,469	84,827
7. Stock-in-trade			
Raw materials		43,648	121,426
Packing materials		26,367	16,379
Work in process - preforms		474,586	117,973
Finished goods - bottles		119,189	128,815
		663,790	384,593
Provision for slow moving stock in trade		(118)	-
Write down to net realisable value		(810)	-
		662,862	384,593
8. Loans and advances			
Advances to:			
Suppliers and contractors - unsecured		104,668	60,701
Employees - secured	8.1	6,686	14,627
Employees for expenses		4,905	4,883
		116,259	80,211
8.1	It includes receivable from key management personnel against car financing amounting to Rs 4,752 thousand (June 30, 2022: Rs 12,172 thousand).		

9. Short term investments

This represents Term Deposit Receipt (TDR) carrying mark up of 6.35% (June 30, 2022: 6.35%) per annum and maturing on November 2, 2023. 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 15.2.1.

10. Share Capital

10.1 Authorized share capital

This represents 50,000,000 (2022:50,000,000) ordinary shares of Rs 10 each.

10.2 Issued, subscribed and paid-up capital

Un-audited December 31, 2022	Audited June 30, 2022		Un-audited December 31, 2022	Audited June 30, 2022
Number of shares			Rupees in thousand	
10,262,664	10,262,664	Ordinary shares of Rs 10/- each issued against cash	102,627	102,627
37,995,753	31,701,177	Ordinary shares of Rs 10/- each issued as fully paid bonus shares	379,957	317,011
<u>48,258,417</u>	<u>41,963,841</u>		<u>482,584</u>	<u>419,638</u>

10.3 The Company in its 31st annual general meeting dated October 28, 2022 approved issue of bonus shares at 15%.

11 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 on 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:

	Un-audited December 31, 2022	Audited June 30, 2022
	Rupees in thousand	
Balance at the beginning of the period / year	227,635	160,663
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 period / year	-	-
Incremental depreciation transferred to unappropriated profits	<u>(14,534)</u>	<u>(22,169)</u>
	213,101	227,635
Related deferred tax	<u>(39,840)</u>	<u>(44,055)</u>
Balance at the end of the period / year	173,261	183,580

	Note	Un-audited December 31, 2022	Audited June 30, 2022
Rupees in thousand			
12. Long term finances - secured			
Loans from banking companies - secured			
Askari Bank Limited	12.1 & 12.6	6,534	19,247
Bank Al-Habib Limited - I	12.2	44,000	52,000
Bank Al-Habib Limited - II	12.3 & 12.6	31,970	35,541
PAIR Investment Company Limited	12.4	23,786	26,987
JS Bank Limited	12.5 & 12.6	-	13,264
		106,290	147,039
Less: current portion of long term finances		(54,620)	(62,696)
Amount due after December 31, 2023		51,670	84,343
12.1	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 started 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.		
12.2	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 171,000 thousand on 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.		
12.3	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 started 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 171,000 thousand over imported / purchased machinery.		
12.4	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% per annum. The loan is secured by charge over plant and machinery of the Company amounting to Rs 54,710 thousand.		
12.5	This related to 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 and is secured by pari passu charge over land, building, plant and machinery of the Company amounting Rs 84,200 thousand. Tenor of the loan was 2 years and 9 months (inclusive of 6 month grace period started from July 2020). The loan was repayable in 8 equal quarterly installments started from January 2021. It carried mark-up at SBP Rate plus 3% per annum payable quarterly.		
12.6	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 government grant.		
12.7	In case of certain loan arrangements, the respective lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under those loan agreements continue to be classified as per the repayment schedule applicable in respect of the respective loan agreements. However, the Company had not obtained waiver in relation to maintain certain ratio as per requirement of the loan obtained from PAIR Investment Company Limited. Accordingly all liabilities under the said loan agreement have been classified as current liabilities to comply with the requirements of applicable financial reporting framework. Based on above, loan installment for an amount of Rs 17.642 million due after December 31, 2023 have been shown as current liability.		

	Un-audited December 31, 2022	Audited June 30, 2022
	Rupees in thousand	
13. Lease liabilities		
Balance at the beginning of the period / year	177,537	197,417
Additions during the period / year	19,744	74,673
Unwinding of interest on lease liabilities	9,025	17,610
Payments made during the period / year	(73,309)	(112,163)
Balance at the end of the period / year	132,997	177,537
Less: Current portion shown under current liabilities	(79,168)	(108,827)
	53,829	68,710
14. Trade and other payables		
Trade creditors	243,822	280,304
Accrued and other liabilities	76,536	97,046
Payable to provident fund	1,531	1,527
Advances from customers	12,459	36,994
Sales tax payable	4,596	48,671
Withholding taxes payable	2,493	2,713
Workers' profit participation fund payable	8,341	8,341
Workers' welfare fund payable	-	2,870
	349,778	478,466
15. Contingencies and commitments		
15.1 Contingencies		
15.1.1	There has been no significant change in the status of contingencies as disclosed in note 26 to the audited financial statements of the company for the year ended june 30, 2022.	
15.2 Commitments		
15.2.1	Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 63.23 million (2022: Rs 63.23 million) in favor of the Company's fuel and utility suppliers.	

	Three-month period ended		Six-month period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
16. Sales - net	Rupees in thousand			
Sales				
- PET Preforms	223,328	332,109	781,015	1,050,847
- PET Bottles	515,427	327,572	1,402,665	827,664
	738,755	659,681	2,183,680	1,878,511
Less: Sales tax				
- PET Preforms	(32,475)	(48,258)	(113,514)	(152,730)
- PET Bottles	(74,868)	(47,595)	(203,798)	(120,187)
- Sales returns and discounts	(361)	(303)	(1,358)	(2,440)
	(107,704)	(96,156)	(318,670)	(275,357)
	631,051	563,525	1,865,010	1,603,154
17. Cost of sales				
Raw material consumed	615,445	479,246	1,606,208	1,141,131
Packing material consumed	33,770	20,798	80,761	53,011
Stores, spares and loose tools consumed	32,247	8,350	44,876	15,891
Salaries, wages and other benefits	65,126	50,325	139,301	109,042
Utilities	96,237	77,092	223,407	164,464
Travelling and conveyance	4,190	2,446	8,089	4,379
Vehicle running and maintenance	3,245	3,243	7,295	6,296
Rent	8,241	4,468	15,146	9,077
Repair and maintenance	2,125	2,144	4,923	4,173
Safety and security	3,519	2,226	6,720	4,918
Medical	2,622	1,592	4,701	3,355
Communication charges	618	521	1,206	1,341
Printing, postage and stationery	970	507	1,668	1,139
Technical testing and analysis	231	253	426	465
Fees, subscription and professional charges	982	489	1,114	597
Entertainment	166	232	422	436
Staff welfare & support	1,516	1,022	2,771	2,225
Depreciation	32,736	29,848	64,797	59,551
Other expenses	888	47	920	89
	904,874	684,849	2,214,751	1,581,580
Work-in-process - opening	257,259	139,417	117,973	203,474
Work-in-process - closing	(474,586)	(271,448)	(474,586)	(271,448)
	(217,327)	(132,031)	(356,613)	(67,974)
Cost of goods manufactured	687,547	552,818	1,858,138	1,513,606
Finished goods - opening	96,315	59,825	128,815	43,929
Finished goods - closing	(119,189)	(62,198)	(119,189)	(62,198)
	(22,874)	(2,373)	9,626	(18,269)
Freight charges	8,457	6,828	35,478	17,520
	673,130	557,273	1,903,242	1,512,857

	Three-month period ended		Six-month period ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees in thousand			
18. (Loss) / earnings per share - basic and dilute				
18.1 Basic				
(Loss) after taxation (Rupees in '000')	<u>(108,278)</u>	<u>(40,862)</u>	<u>(163,956)</u>	<u>(15,482)</u>
Weighted average number of ordinary shares	<u>48,258,417</u>	<u>48,258,417</u>	<u>48,258,417</u>	<u>48,258,417</u>
(Loss) per share - basic (Rupees) - 2022 restated to consider impact of bonus issue	<u>(2.24)</u>	<u>(0.85)</u>	<u>(3.40)</u>	<u>(0.29)</u>

18.2 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 December 31, 2022, which would have effect on the basic EPS, if the option to convert would have been exercised.

	Un-Audited	Un-Audited
	December 31, 2022	December 31, 2021
	Rupees in thousand	
19. Cash and cash equivalents		
Cash and bank balances	5,864	11,600
Short-term running finance	<u>(32,439)</u>	<u>(51,286)</u>
	<u>(26,575)</u>	<u>(39,686)</u>

20. 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.

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.

21. 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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
	Rupees in thousand			
Transactions during the period				
Contribution to staff provident fund	<u>5,250</u>	<u>2,245</u>	<u>9,820</u>	<u>4,497</u>
Contribution to employees' gratuity fund	<u>735</u>	<u>-</u>	<u>2,035</u>	<u>-</u>
Remuneration to key management personnel	<u>16,000</u>	<u>14,954</u>	<u>32,001</u>	<u>29,908</u>
Directors fee	<u>2,000</u>	<u>700</u>	<u>3,200</u>	<u>1,400</u>
Advances to directors	<u>-</u>	<u>160</u>	<u>-</u>	<u>160</u>
Bonus shares issued	<u>15%</u>	<u>10%</u>	<u>15%</u>	<u>10%</u>

Un-audited Audited
December June
31, 2022 30, 2022
Rupees in thousand

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

Ecopack Employees' Provident Fund Trust	<u>1,531</u>	<u>1,527</u>
Ecopack - Employees' Gratuity Fund Trust	<u>35,528</u>	<u>33,418</u>

23. FINANCIAL INSTRUMENTS

23.1 Financial assets and liabilities

	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
----- Rupees in thousand -----				
December 31, 2022				
Financial assets:				
Maturity upto one year				
Trade debts	203,616	-	-	203,616
Loans and advances	6,686	-	-	6,686
Deposits, prepayments and other receivables	1,128	100	-	1,228
Short-term investments	7,125	-	-	7,125
Cash and bank balances	5,864	-	-	5,864
Maturity above one year				
Long term deposits	-	13,821	-	13,821
	<u>224,419</u>	<u>13,921</u>	<u>-</u>	<u>238,340</u>
Financial liabilities:				
Maturity upto one year				
Employees' retirement benefits	35,525	-	-	-
Trade and other payables	243,822	-	-	243,822
Short term borrowings - secured	1,092,383	-	-	1,092,383
Short term running finance - secured	32,439	-	-	32,439
Current maturity of non-current liabilities	138,896	-	-	138,896
Unclaimed dividend	3,138	-	-	3,138
Maturity above one year				
Long term finances - secured	51,670	-	-	51,670
Lease liabilities	53,829	-	-	53,829
	<u>1,651,702</u>	<u>-</u>	<u>-</u>	<u>1,616,177</u>
June 30, 2022				
Financial assets:				
Maturity upto one year				
Trade debts	440,522	-	-	440,522
Loans and advances	14,627	-	-	14,627
Deposits, prepayments and other receivables	3,154	75	-	3,229
Short-term investments	7,125	-	-	7,125
Cash and bank balances	25,615	-	-	25,615
Maturity above one year				
Long term deposits	-	12,609	-	12,609
	<u>491,043</u>	<u>12,684</u>	<u>-</u>	<u>503,727</u>
Financial liabilities:				
Maturity upto one year				
Employees' retirement benefits	33,418	-	-	-
Trade and other payables	378,877	-	-	378,877
Short term borrowings - secured	606,640	-	-	606,640
Short term running finance - secured	202	-	-	202
Current maturity of non-current liabilities	177,631	-	-	177,631
Unclaimed dividend	2,937	-	-	2,937
Maturity above one year				
Long term finances - secured	84,343	-	-	84,343
Lease liabilities	68,710	-	-	33,418
	<u>1,317,466</u>	<u>-</u>	<u>-</u>	<u>1,284,048</u>

24. 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.

25. 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.

26. General

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

27. 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 April 26, 2023.

Chief Financial Officer

Chief Executive Officer

Director

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