

Condensed Interim Financial Statements

For the Half-year ended
31st December 2023 (Un-Audited)



Manufacturers Of Quality PET Bottles & Preforms

EcoPack Ltd

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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 of the Board
Mr. Hussain Jamil	Chief Executive Officer
Mr. Ameen Jan	Non-Executive Director
Mr. Omer Tariq	Non-Executive Director
Mr. Arif Ahmed Siddiqui	Non-Executive Director
Mr. M. Junaid Hameed Dagia	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 AND REMUNERATION COMMITTEE

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

CHIEF OPERATING OFFICER

Mr. Mohammad Raza Chinoy

CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

COMPANY SECRETARY

Mr. Ali Abdullah

BANKERS

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

EXTERNAL AUDITORS

A. F. Ferguson & Co.	Chartered Accountants
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INTERNAL AUDITORS (OUTSOURCED)

BDO Ebrahim & Co.	Chartered Accountants
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LEGAL ADVISOR

M/s. Ali Khan Law Associates	Advocate & Corporate Counsel
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SHARE REGISTRAR

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

REGISTERED OFFICE AND FACTORY

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

DIRECTORS' REPORT

The Board of directors of EcoPack Limited is pleased to present the Directors' Report and the reviewed financial statements for the half-year ended 31st December 2023 along with the Auditor's Report thereon:

OVERVIEW

While inflation hit a high of over 29% in the Q1FY24, it began a gradual climb down during the second quarter of the period under review. Administrative actions by the GOP and SBP were taken to stabilize the PKR against the US Dollar (USD) which brought a measure of stability to the forex markets, relatively easing imports for the industry. Crude oil, PET resin prices, packing materials and truck freights were higher than the corresponding period last year. Electricity charges also increased by almost 34% and interest rates by almost 26% during this period in comparison with last year. Your Management was able to mitigate most of these costs through price adjustments as well as cost-side improvements in Production and Supply side measures.

Although inflationary headwinds persisted, fortunately, the monsoon season passed this year without any significant damage and disruption due to floods, unlike during the same time in the previous year. The resumption of inter-city road travel after a brief hiatus post Covid and the floods last year, also generated an increase in 'small pack' beverage sales as a growing young & mobile population continues to consume 'on the go'!

Consequently, your company's performance substantially improved this year compared to the commensurate period last year. Sales and production improved significantly as did the financial results and the overall performance of 6MYoY. Your company's management and particularly the Sales team, supported by their Production counterparts, were able to obtain and execute new sales orders even in the slow off-season months of the 2nd quarter as winter gradually set in. Thus, bottle sales increased sharply by 23% and Preform sales by 53% over the same period last year. The 'large container' segment made a good recovery after a slow start to the year as important new customers and larger volumes were added to the order-book of the company. This bodes positively, both for profitability as well as customer and product diversification.

SALES & FINANCIAL HIGHLIGHTS

We have achieved a significant growth in sales by 33% in the first half of FY24 from Rs. 1.86 billion to Rs. 2.48 billion as compared to the corresponding half year last year. This has been achieved due to a substantial increase in sales volume of Preforms by 53% and Bottles by 23% in quantitative terms. Accordingly, production volumes also increased commensurately thereby increasing capacity utilization to 56% in Preforms & Bottles each. There has been an enormous increase in electricity costs as compared to 1HFY23, by almost 34%. Due to the comparatively higher volumes and better pricing, we have recorded a gross profit of Rs. 171.57 million in 1HFY24 against gross loss of Rs. 2.75 million for the same period last year, an increase of Rs. Rs. 174.32 million. Similarly, your company has achieved a substantial increase in Operating profit as compared to the same period last year, we have achieved operating profit of Rs. 27.78 million against an Operating loss of Rs. 122.79 million last year on a HoH basis, which is a positive swing of Rs. 150.57 million. This is the result of improved sales and production volumes, as well as timely price changes to counter the rampant and pervading cost inflation.

Financial charges increased from Rs. 91.79 million to Rs. 118.85 million in the half year under review compared to last year, an increase of 29% mainly on account of the sharp increase in KIBOR and the SBP discount rate. KIBOR increased from 17.00% last year to 21.46% HoH i.e., an increase of 26%.

Due to the increase in financial costs, mainly due to the rise in KIBOR, pre-tax loss has been recorded at Rs. 91.07 million against a pre-tax loss of Rs. 214.58 million as compared to the last year's first half. However, post-tax loss comes to Rs. 61.93 million against a post-tax loss of Rs. 163.95 million in the same period last year - a positive swing of Rs. 102.03 million.

There has been a significant reduction in short-term borrowings during 1HFY24 which has decreased by Rs. 235.69 million i.e., from Rs. 1.1 billion to Rs. 888 million.

Loss per share (basic and diluted) for the first half of FY 2024 is Rs. 1.28 per share against loss per share of Rs. 3.40 per share for the same period last year.

FUTURE OUTLOOK

With positive sales in the first half of the financial year under its belt, the second half is expected to yield even better results for your company as both Ramadan and the peak summer months fall herein. This period traditionally gives a strong boost to beverage consumption and thereby significantly lifts the sales of your company's products. Your company's management is well aligned in its production planning and Supply-Chain arrangements to meet this sharp curve in sales during the limited 'high demand' hot summer sales season.

The recent induction and commissioning of large high speed 'state-of-the-art' Beverage filling lines by the international Cola giants are a harbinger of their confidence in the future growth of the industry. Local beverage companies are also beefing up their capacities in similar anticipation. These substantial investments in productivity are advance preparations for meeting the growing needs of a thirsty 'young and mobile' population and this augurs well for the rising demand of your company's products.

RISK

Although national elections in the country have taken place this month, post-election protests can be a cause of concern as these could possibly disrupt the much-needed political stability and consensus required for sustainable economic growth and development.

Containing the high rate of inflation remains a challenge for the awaited new dispensation which will have an urgent target of successfully engaging the International Financial Institutions. The international geo-political situation and regional tensions in the Middle East have the potential to drive up crude oil prices, impacting both electricity costs and widespread inflation. This could potentially reduce the purchasing power and consumption patterns in the near term.

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 AND ON BEHALF OF THE BOARD OF DIRECTORS



DIRECTOR

Date: February 24, 2024



HUSSAIN JAMIL

CHIEF EXECUTIVE OFFICER

"ANNEXURE A" TO THE DIRECTORS' REPORT

1. The Composition of Board is as follows:

- a. Male : 06
b. Female : 01

2. The composition of Board is as follows:

a) Independent Directors

- (1) Mr. Ameen Jan (2) Mr. M. Junaid Hameed Dagia

b) Non-executive Directors

- (1) Mr. Muhammad Kamran Nasir (2) Mr. Omer Tariq (3) Mr. Arif Ahmed Siddiqui

c) Executive Director

Mr. Hussain Jamil (Chief Executive Officer)

d) Female Director

Mrs. Sonya Jamil (Non-Executive Director)

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

A Audit Committee (Prevailing)

- 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 (Prevailing)

- 1) Mr. M. Junaid Hameed Dagia - Chairman
2) Mr. Arif Ahmed Siddiqui - Member
3) Mr. Omer Tariq - Member
4) Mrs. Sonya Jamil - Member

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

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

For & on behalf of the Board of Directors



DIRECTOR

Date: February 24, 2024



HUSSAIN JAMIL

CHIEF EXECUTIVE OFFICER

ڈائریکٹرز رپورٹ

ایکویٹیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کو 31 دسمبر 2023 کو ختم ہونے والے ششماہی کے لئے ڈائریکٹرز رپورٹ اور اس پر آڈیٹرز رپورٹ کے ساتھ نظر ثانی شدہ مالی گوشوارے پیش کرنے پر خوشی ہے:

جائزہ

مالی سال 2024 کی پہلی سہ ماہی میں افراط زر 29% سے زیادہ کی بلند ترین سطح پر پہنچ گیا تھا، لیکن اس عرصے کی دوسری سہ ماہی کے دوران اس میں بتدریج کمی آنا شروع ہوئی۔ حکومت پاکستان اور اسٹیٹ بینک کی جانب سے امریکی ڈالر کے مقابلے میں پاکستانی روپے کو مستحکم بنانے کے لیے انتظامی اقدامات کیے گئے جس سے فاریکس مارکیٹوں میں استحکام آیا اور صنعتی درآمدات میں نسبتاً کمی آئی۔ خام تیل، PET Resin کی قیمتیں، پیکنگ مواد اور ترسیلاتی کرائے گزشتہ سال کی اسی مدت کے مقابلے میں زیادہ تھے۔ گزشتہ سال کے مقابلے میں اس عرصے کے دوران بجلی کی قیمتوں میں تقریباً 34% اور شرح سود میں تقریباً 26% اضافہ ہوا۔ آپ کی انتظامیہ قیمت کی مطابقت کے ساتھ ساتھ پیداوار اور سپلائی کے ضمنی اقدامات میں لاگت کے ضمن میں بہتری کی بدولت زیادہ تر اخراجات کو کم کرنے میں کامیاب رہی۔

اگرچہ افراط زر کی لہر برقرار رہی، خوش قسمتی سے اس سال مون سون کا موسم سیلاب کی وجہ سے کسی خاص نقصان اور غلغلے کے بغیر گزر گیا، پچھلے سال کے اسی عرصے کے برعکس۔ Covid اور پچھلے سال سیلاب کے بعد ایک مختصر وقفے کے بعد شہر کے درمیان سڑک کے سفر کی بحالی نے بھی اچھوٹے پیک 'مشروبات کی فروخت میں اضافہ ہوا کیونکہ بڑھتی ہوئی نوجوان آبادی 'چلتے پھرتے' استعمال کرتی ہے۔

نتیجتاً، آپ کی کمپنی کی کارکردگی اس سال پچھلے سال کی مساوی مدت کے مقابلے میں کافی بہتر رہی۔ مالیاتی نتائج اور 6MYOY کی مجموعی کارکردگی کی طرح فروخت اور پیداوار میں نمایاں بہتری آئی۔ آپ کی کمپنی کی انتظامیہ اور خاص طور پر سیلز ٹیم، جس کو ان کے پروڈکشن ہم منصبوں نے سپورٹ کیا، دوسری سہ ماہی کے سست آف سیزن مہینوں میں بھی نئے سیلز آرڈرز حاصل کرنے اور ان پر عمل درآمد کرنے میں کامیاب رہے کیونکہ آہستہ آہستہ سردیوں کا آغاز ہوا۔ اس طرح بوتلوں کی فروخت میں گزشتہ سال کی اسی مدت کے مقابلے میں تیزی سے 23% اور Preforms کی فروخت میں 53% اضافہ ہوا۔ بڑے کنٹینرز 'سیگمنٹ' نے سال کی سست شروعات کے بعد اچھی بحالی کی کیونکہ کمپنی کی آرڈر بک میں اہم نئے صارفین اور بڑے حجم شامل کیے گئے تھے۔ اس سے منافع کے ساتھ ساتھ گاہک اور مصنوعات کی تنوع دونوں کے لیے مثبت اشارہ ملتا ہے۔

فروخت اور مالی جھلکیاں

ہم نے مالی سال 2024 کی پہلی ششماہی میں فروخت میں 33% کا نمایاں اضافہ حاصل کیا ہے جو گزشتہ سال کی اسی ششماہی کے مقابلے میں 1.86 ارب روپے سے بڑھ کر 2.48 ارب روپے ہو گئی ہے۔ یہ پرفیورمنس کی فروخت کے حجم میں 53% اور بوتلوں کی فروخت کے حجم میں مقداری لحاظ سے 23% اضافے کی وجہ سے حاصل کیا گیا ہے۔ اس کے مطابق، پیداوار کے حجم میں بھی اسی طرح اضافہ ہوا جس سے پرفیورمنس مزار بوتلوں میں صلاحیت کے استعمال میں 56% اضافہ ہوا۔ 1HFY23 کے مقابلے میں بجلی کی قیمتوں میں تقریباً 34% اضافہ ہوا ہے۔ نسبتاً زیادہ حجم اور بہتر قیمتوں کی وجہ سے ہم نے 171.57 ملین روپے کا مجموعی منافع ریکارڈ کیا ہے جو گزشتہ سال کے اسی عرصے میں 2.75 ملین روپے کے مجموعی نقصان کے مقابلے میں 174.32 ملین روپے کا اضافہ ہے۔ اسی طرح آپ کی کمپنی نے گزشتہ سال کے اسی عرصے کے مقابلے میں حاصل منافع میں خاطر خواہ اضافہ حاصل کیا ہے، ہم نے HOH کی بنیاد پر گزشتہ سال 122.79 ملین روپے کے حاصل خسارے کے مقابلے میں 27.78 ملین روپے کا حاصل منافع ہوا، جو 150.57 ملین روپے کا مثبت اشارہ ہے۔ یہ فروخت اور پیداوار کے حجم میں بہتری کے ساتھ ساتھ قیمتوں میں بروقت تبدیلیوں کا نتیجہ ہے تاکہ بے تحاشا اور بڑھتی ہوئی لاگت افراط زر کا مقابلہ کیا جاسکے۔

مالی اخراجات گزشتہ سال کے مقابلے میں گزشتہ سال کی ششماہی میں 91.79 ملین روپے سے بڑھ کر 118.85 ملین روپے ہو گئے، جس کی بنیادی وجہ کے آئی بی او آر اسٹیٹ بینک ڈسکاؤنٹ ریٹ میں تیزی سے اضافہ ہے۔ کے آئی بی او آر گزشتہ سال کے 17% سے بڑھ کر HOH 21.46% یعنی 26% اضافہ ہوا۔

مالی اخراجات میں اضافے کی وجہ سے، بنیادی طور پر کے آئی بی او آر میں اضافے کی وجہ سے، قبل از ٹیکس خسارہ 91.07 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال کی پہلی ششماہی کے مقابلے میں قبل از ٹیکس خسارہ 214.58 ملین روپے تھا۔ تاہم بعد از ٹیکس خسارہ 61.93 ملین روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں 163.95 ملین روپے کا بعد از ٹیکس خسارہ ہوا تھا جو 102.03 ملین روپے کا مثبت اضافہ ہے۔

مالی سال 2024ء کے دوران قلیل مدتی قرضوں میں نمایاں کمی آئی ہے جو 235.69 ملین روپے یعنی 1.1 ارب روپے سے کم ہو کر 888 ملین روپے رہ گئی ہے۔

مالی سال 2024ء کی پہلی ششماہی کے لئے فی حصص خسارہ (بنیادی اور پتلا) 1.28 روپے فی حصص ہے جبکہ پچھلے سال کی اسی مدت کے لئے 3.40 روپے فی حصص کا نقصان ہوا تھا۔

مستقبل کا نقطہ نظر

مالی سال کی پہلی ششماہی میں مثبت فروخت کے ساتھ، دوسری ششماہی آپ کی کمپنی کے لئے اور بھی بہتر نتائج کی توقع ہے کیونکہ رمضان اور موسم گرما کے عروج کے مہینے دونوں اسی ششماہی میں آتے ہیں۔ یہ مدت روایتی طور پر مشروبات کی کھپت کو مضبوط فروغ دیتی ہے اور اس طرح آپ کی کمپنی کی مصنوعات کی فروخت میں نمایاں اضافہ کرتی ہے۔ آپ کی کمپنی کا نظم و نسق اپنی پیداواری منصوبہ بندی اور سپلائی چین کے انتظامات میں اچھی طرح سے ہم آہنگ ہے جس کی بدولت محدود پر زیادہ مانگ والے موسم گرما کے دوران فروخت میں اس تیزی کو پورا کیا جاسکے۔

حال ہی میں بین الاقوامی کولامپنیوں کی جانب سے بڑے تیز رفتار 'جدید ترین' مشروبات بھرنے والی لائنوں کی شمولیت اور کمیشننگ اس صنعت کی مستقبل کی ترقی میں ان کے اعتماد کا پیش خیمہ ہے۔ مقامی مشروبات بنانے والی کمپنیاں بھی اسی توقع کے ساتھ اپنی صلاحیتوں میں اضافہ کر رہی ہیں۔ پیداواری صلاحیت میں یہ خاطر خواہ سرمایہ کاری مطلوب 'نوجوان اور چلتی پھرتی' آبادی کی بڑھتی ہوئی ضروریات کو پورا کرنے کے لئے پیشگی تیاری ہے اور یہ آپ کی کمپنی کی مصنوعات کی بڑھتی ہوئی طلب کے لئے اچھا اشارہ ہے۔

خدشات

اگرچہ ملک میں قومی انتخابات رواں ماہ ہوئے ہیں، لیکن انتخابات کے بعد ہونے والے مظاہرے تشویش کا باعث بن سکتے ہیں کیونکہ یہ ممکنہ طور پر پائیدار معاشی ترقی اور ترقی کے لیے ضروری سیاسی استحکام اور اتفاق رائے میں خلل ڈال سکتے ہیں۔

افراط زر کی بلند شرح پر قابو پانے کی حکومت کے لیے ایک چیلنج بنا ہوا ہے جس کا فوری ہدف بین الاقوامی مالیاتی اداروں کو کامیابی کے ساتھ شامل کرنا ہوگا۔ بین الاقوامی جغرافیائی و سیاسی صورتحال اور مشرق وسطیٰ میں علاقائی تناؤ خام تیل کی قیمتوں میں اضافے کا باعث بن سکتا ہے، جس سے بجلی کی لاگت اور وسیع پیمانے پر افراط زر دونوں متاثر ہوں گے۔ یہ ممکنہ طور پر مستقبل قریب میں قوت خرید اور کھپت کے بیٹرن کو کم کر سکتا ہے۔

دیگر معاملات

کمپنی کے سی ای او کی جانب سے کمپنی، کچھ شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کے خلاف سندھ ہائی کورٹ میں 2022 کا سول مقدمہ نمبر 1954 دائر ہے جس کا 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 شیئر ہولڈرز کے ذریعے حصص کے حصول کو چیلنج کیا ہے۔

ایکویٹیک لمیٹڈ کے بورڈ آف ڈائریکٹرز کے لیے بورڈ کی جانب سے

ڈائریکٹر
تاریخ: 24 فروری 2024

حسین جمیل
چیف ایگزیکٹو آفیسر

ڈائریکٹرز 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 محمد 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
(2) جناب عارف احمد صدیقی
(3) جناب عمر طارق
(4) مسز سونیا جمیل
- (b) انسانی وسائل اور معاوضہ (ایچ آر آئی) کمیٹی
(1) جناب محمد جنید حمید ڈاگیا
(2) جناب عارف احمد صدیقی
(3) جناب عمر طارق
(4) مسز سونیا جمیل

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 ہوگا 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۔

بورڈ آف ڈائریکٹرز کی جانب سے

حسین جمیل
چیف ایگزیکٹو آفیسر

ڈائریکٹر
تاریخ: 24 فروری 2024

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, 2023 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2023.

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.



A. F. Ferguson & Co.

Chartered Accountants

Islamabad

Date: Feb 28, 2024

UDIN: RR202310083fCiHsqGT1

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

AS AT DECEMBER 31, 2023

	Note	Un-audited December 31, 2023	Audited June 30, 2023
Rupees in thousand			
NON CURRENT ASSETS			
Property, plant & equipment	4	1,541,226	1,548,259
Intangible assets		3,594	3,663
Long term deposits		14,506	13,821
Deferred tax asset - net	12	27,648	-
		1,586,974	1,565,743
CURRENT ASSETS			
Stores, spares and loose tools	5	116,313	80,970
Stock-in-trade	6	454,353	505,528
Trade debts		370,338	545,334
Loans and advances	7	76,414	181,840
Deposits, prepayments and other receivables		39,159	12,539
Advance tax - net		37,909	-
Cash and bank balances		14,623	84,328
		1,109,109	1,410,539
TOTAL ASSETS		2,696,083	2,976,282
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	8	482,584	482,584
Revenue reserve - Unappropriated profits		370,387	419,483
Capital Reserve			
Surplus on revaluation of property, plant and equipment	9	260,420	273,254
		1,113,391	1,175,321
NON-CURRENT LIABILITIES			
Long term finances - secured	10	53,967	54,530
Deferred government grant		480	936
Lease liabilities	11	55,411	51,140
Deferred tax liabilities - net	12	-	32,825
		109,858	139,431
CURRENT LIABILITIES			
Employees' retirement benefits		49,886	43,738
Trade and other payables	13	453,027	400,186
Contract liabilities		11,664	20,296
Unclaimed dividend		3,615	3,396
Taxation - net		-	3,820
Short term borrowings and running finance - secured		888,573	1,124,271
Current maturity of non-current liabilities		66,069	65,823
		1,472,834	1,661,530
Contingencies and commitments	14	-	-
TOTAL EQUITY AND LIABILITIES		2,696,083	2,976,282

The annexed notes 1 to 24 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, 2023

	Note	Three month period ended		Six month period ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
		Rupees in thousand			
Revenue from contracts with customers		1,162,241	738,755	2,929,650	2,183,680
Sales tax and discounts		(177,414)	(107,704)	(447,159)	(318,670)
Revenue from contracts with customers - net	15	984,827	631,051	2,482,491	1,865,010
Cost of sales	16	(962,054)	(664,673)	(2,310,922)	(1,867,764)
GROSS PROFIT / (LOSS)		22,773	(33,622)	171,569	(2,754)
Selling & distribution expenses		(33,538)	(16,925)	(67,938)	(52,068)
Administrative and general expenses		(35,210)	(36,218)	(68,218)	(67,157)
Other expenses		(7,734)	(327)	(9,080)	(633)
Other income		290	3,403	1,448	3,403
Net impairment loss on financial assets		-	(3,583)	-	(3,583)
		(76,192)	(53,650)	(143,788)	(120,038)
OPERATING PROFIT / (LOSS)		(53,419)	(87,272)	27,781	(122,792)
Finance cost		(60,114)	(46,698)	(118,854)	(91,794)
LOSS BEFORE TAXATION		(113,533)	(133,970)	(91,073)	(214,586)
Taxation	12	46,916	25,692	29,143	50,630
LOSS FOR THE PERIOD		(66,617)	(108,278)	(61,930)	(163,956)
Loss per share - basic and diluted (Rs)	17.1	(1.38)	(2.24)	(1.28)	(3.40)

The annexed notes 1 to 24 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, 2023

	Three month period ended		Six month period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	Rupees in thousand			
LOSS FOR THE PERIOD	(66,617)	(108,278)	(61,930)	(163,956)
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items that will not be reclassified to statement of profit or loss:				
Surplus on revaluation of property, plant and equipment	-	-	-	-
Less: Deferred tax on surplus on revaluation of property, plant and equipment	-	3,199	-	3,199
Other comprehensive income	-	3,199	-	3,199
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	<u>(66,617)</u>	<u>(105,079)</u>	<u>(61,930)</u>	<u>(160,757)</u>

The annexed notes 1 to 24 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, 2023

	Share Capital	Unappropriated profits	Surplus on revaluation of property and plant	Total
	----- Rupees in thousand -----			
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	-	-	-	-
Total comprehensive income / (loss) for the period	-	(163,956)	-	(163,956)
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	210,961	173,552	867,097
Balance as at July 1, 2023	482,584	419,483	273,254	1,175,321
- Loss for the period	-	(61,930)	-	(61,930)
- Other comprehensive income	-	-	-	-
Total comprehensive income / (loss) for the period	-	(61,930)	-	(61,930)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	12,834	(12,834)	-
Balance as at December 31, 2023 - un-audited	482,584	370,387	260,420	1,113,391

The annexed notes 1 to 24 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, 2023

	Six month period ended	
	December 31 2023	December 31 2022
Note	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(91,073)	(214,586)
Adjustments for non-cash items:		
Depreciation and amortization	83,280	71,337
(Gain) / loss on disposal of property, plant and equipment	(290)	(834)
Provision for slow moving stock in trade	544	118
Provision for Workers' Welfare Fund	82	-
Write down to net realisable value	-	810
Provision for obsolete stores and spares	5,198	-
Impairment of idle fixed assets	4.1 6,618	-
Expected credit losses on trade debts	-	3,583
Provision for gratuity	6,220	4,145
Unwinding of interest on lease liabilities	11 5,338	9,025
Finance cost	113,516	91,794
	130,433	(34,608)
Changes in working capital		
Decrease / (increase) in inventories	5 & 6 9,090	(285,839)
Decrease in trade debts	166,364	233,323
(Increase) in loans and advances	7 (1,230)	(36,048)
(Increase) in deposits, prepayments and other receivables	(26,620)	(58,627)
(Decrease) / increase in trade and other payables	159,799	(128,688)
	307,403	(275,879)
	437,836	(310,487)
Finance cost paid - short term borrowings	(113,205)	(59,195)
Workers Welfare Fund paid	(440)	-
Contributions to gratuity	(72)	(2,035)
Income taxes paid	(73,059)	(2,962)
Net cash generated from/ (used in) operating activities	251,060	(374,679)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment - net	(69,585)	(27,096)
Investment in intangible assets	(358)	-
Change in long term security deposits	(685)	(1,212)
Sale proceeds from disposal of property, plant and equipment	2,087	13,072
Net cash used in investing activities	(68,541)	(15,236)

	Note	2023 (Rupees in thousand)	2022
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	11	(33,100)	(73,309)
Proceeds from long-term finances		34,379	-
Repayment of long-term finances		(19,605)	(41,553)
Interest on unclaimed dividend		219	201
Short-term borrowings (repaid) / received		(224,235)	470,144
Finance cost paid on long-term finances and lease liabilities		(8,653)	(17,656)
Net cash (used in) / generated from financing activities		(250,995)	337,827
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(68,476)	(52,088)
Cash and cash equivalents at beginning of the period		59,740	25,513
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	18	(8,736)	(26,575)

The annexed notes 1 to 24 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, 2023

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 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 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 the six month ended December 31, 2023 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:

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

Where 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, 2023.

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, 2023.

	Note	Un-audited December 31, 2023	Audited June 30, 2023
Rupees in thousand			
4. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	4.1	1,469,338	1,511,155
Capital work-in-progress	4.3	18,949	181
Capital spares		52,939	36,923
		<u>1,541,226</u>	<u>1,548,259</u>
4.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		1,511,155	1,385,930
Additions during the period / year	4.1.1	49,450	134,793
Revaluation during the period / year		-	164,863
Disposals during the period / year		(1,797)	(12,737)
Impairment charged for the period / year		(6,618)	(13,188)
Depreciation charged for the period / year		(82,852)	(148,506)
Net book value at the end of the period / year		<u>1,469,338</u>	<u>1,511,155</u>
4.1.1 Additions during the period / year			
Factory building and roads on lease-hold land		363	1,577
Plant and Machinery - owned		47,828	50,482
Factory equipment		-	37,864
Office equipment		1,259	2,652
Furniture & fixtures		-	101
Vehicle - owned		-	1,770
Vehicle - right of use		-	40,347
		<u>49,450</u>	<u>134,793</u>
4.2 Right of use asset			
Net book value at the beginning of the period / year		213,551	362,145
Additions during the period / year		-	40,347
Transfers from right of use asset to owned assets		(132,412)	(147,487)
Net book value of disposals		(720)	(4,075)
Depreciation charge		(11,530)	(37,379)
Net book value at the end of the period / year		<u>68,889</u>	<u>213,551</u>
4.3 Capital work-in-progress			
Net book value at the beginning of the period / year		181	12,890
Additions during the period / year		19,167	18,566
Capitalized during the period / year		(399)	(31,275)
Net book value at the end of the period / year		<u>18,949</u>	<u>181</u>

	Note	Un-audited December 31, 2023	Audited June 30, 2023
Rupees in thousand			
5. STORES, SPARES AND LOOSE TOOLS			
Stores and spares		182,972	125,855
Loose tools		2,893	2,453
		<u>185,865</u>	<u>128,308</u>
Provision for obsolete stores and spares		(16,613)	(10,415)
Capital spares transferred to property, plant and equipment		(52,939)	(36,923)
		<u>116,313</u>	<u>80,970</u>
6. STOCK-IN-TRADE			
Raw materials		77,021	126,751
Packing materials		30,376	38,990
Work in process - preforms		217,776	228,532
Finished goods - bottles		130,165	111,696
		<u>455,338</u>	<u>505,969</u>
Provision for obsolescence		(985)	(441)
		<u>454,353</u>	<u>505,528</u>
7. LOANS AND ADVANCES			
Suppliers and contractors - unsecured		64,946	171,602
Employees:			
Personal - secured		6,022	6,288
Operational - unsecured		5,446	3,950
		<u>76,414</u>	<u>181,840</u>
8. SHARE CAPITAL			
8.1 Authorized share capital			
This represents 50,000,000 (June 30, 2023: 50,000,000) ordinary shares of Rs 10 each.			
8.2 Issued, subscribed and paid-up capital			
		Un-audited December 31, 2023	Audited June 30, 2023
		Number of shares	Rupees in thousand
10,262,664	10,262,664	Ordinary shares of Rs 10/- each issued against cash	102,627
37,995,753	37,995,753	Ordinary shares of Rs 10/- each issued as fully paid bonus shares	379,957
<u>48,258,417</u>	<u>48,258,417</u>		<u>482,584</u>

9 SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT

The Company follows revaluation model for lease-hold land, factory building and roads on lease-hold land and plant & machinery. The fair value of these items were assessed by management based on independent valuation performed by an external valuation expert property valuation expert as on June 30, 2023. 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 year is as follows:

Note	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in thousand	
Balance at the beginning of the period / year	357,675	227,635
Add: surplus on revaluation carried-out during the period	-	164,863
Reversal of surplus on recognition of impairment loss on idle machinery	-	(5,101)
Incremental depreciation transferred to unappropriated profits	(19,155)	(29,722)
	338,520	357,675
Less: deferred tax on:		
- Balance as at beginning of the period / year	(84,421)	(44,055)
- revaluation surplus for the period / year	-	(51,857)
- reversal of revaluation surplus for the period / year	-	1,683
- Incremental depreciation charged during the period / year	6,322	9,808
	(78,099)	(84,421)
Balance at the end of the period	260,421	273,254

10. LONG TERM FINANCES - SECURED

Loans from banking companies - secured

Bank Al-Habib Limited - I	10.1	28,000	36,000
Bank Al-Habib Limited - II	10.2	24,829	28,523
Bank Al-Habib Limited - III	10.3	29,604	-
PAIR Investment Company Limited	10.4	18,296	20,976
		100,729	85,499
Less: current portion of long term finances		(46,762)	(30,969)
Amount due after December 31, 2024		53,967	54,530

- 10.1** 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 140,640 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.

- 10.2** 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 140,640 thousand over imported / purchased machinery.

Loan proceeds of subsidized loan has 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.

- 10.3** This represents term loan obtained in fiscal year 2023-24 for letter of credit arrangements of the capital expenditure. Tenor of the loan is three years. This is repayable in 36 equal monthly installments. The loan is priced at 1.5% per annum over 3 months KIBOR. This loan is secured by first exclusive charge over fixed assets (plant & machinery) for Rs. 55 million duly registered with SECP over machinery imported.

During the period, Bank Al-Habib Limited has further extended the facility till February 28, 2025.

- 10.4** 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.

Un-audited	Audited
December 31,	June 30,
2023	2023
Rupees in thousand	

11. LEASE LIABILITIES

Balance at the beginning of the period / year	81,674	177,537
Additions during the period / year	14,649	27,218
Unwinding of interest on lease liabilities	5,338	18,484
Payments made during the period / year	(33,100)	(141,565)
Balance at the end of the period / year	68,561	81,674
Less: Current portion shown under current liabilities	(13,150)	(30,534)
	55,411	51,140

12. INCOME TAX

- 12.1** Income tax is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the year is 32% compared to 24% for the six months period December 31, 2022. The tax rate is higher in 2023 due to adjustment of tax losses / credits.

- 12.2 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.

	Un-audited December 31, 2023	Audited June 30, 2023
	Rupees in thousand	
13. TRADE AND OTHER PAYABLES		
Trade creditors	323,970	284,339
Accrued and other liabilities	101,775	71,006
Payable to provident fund	1,935	-
Sales tax payable	17,821	35,652
Withholding taxes payable	2,590	3,951
Workers' profit participation fund payable	4,936	4,880
Workers' welfare fund payable	-	358
	<u>453,027</u>	<u>400,186</u>

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

- 14.1.1 There has been no significant change in the status of contingencies as disclosed in note 27 to the audited financial statements of the Company for the year ended June 30, 2023

14.2 Commitments

- 14.2.1 Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 7.15 million (2023: Rs 7.15 million) in favor of the Company's fuel and utility suppliers.

	Three month period ended		Six month period ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
17. EARNINGS/ (LOSS) PER SHARE - BASIC AND DILUTED				
17.1 Basic				
(Loss) after taxation (Rupees in '000')	<u>(66,617)</u>	<u>(108,278)</u>	<u>(61,930)</u>	<u>(163,956)</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)	<u>(1.38)</u>	<u>(2.24)</u>	<u>(1.28)</u>	<u>(3.40)</u>

17.2 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, 2023 which would have effect on the basic EPS, if the option to convert would have been exercised.

	Un-Audited	Un-Audited
	December 31, 2023	December 31, 2022
18. CASH AND CASH EQUIVALENTS	Rupees in thousand	
Cash and bank balances	14,623	5,864
Short-term running finance	<u>(23,359)</u>	<u>(32,439)</u>
	<u>(8,736)</u>	<u>(26,575)</u>

19. 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 June 30, 2023. 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.

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, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Transactions during the period				
Contribution to staff provident fund	<u>6,065</u>	<u>5,250</u>	<u>9,456</u>	<u>9,820</u>
Contribution to employees' gratuity fund	<u>72</u>	<u>735</u>	<u>72</u>	<u>2,035</u>
Remuneration to key management personnel	<u>17,720</u>	<u>16,000</u>	<u>33,995</u>	<u>32,001</u>
Directors fee	<u>900</u>	<u>2,000</u>	<u>2,600</u>	<u>3,200</u>
Bonus shares issued	<u>-</u>	<u>15%</u>	<u>-</u>	<u>15%</u>
			Un-audited	Audited
			December 31,	June 30,
			2023	2023
			Rupees in thousand	
Payable / as on date of statement of financial position with:				
Ecopack Employees' Provident Fund Trust			<u>1,935</u>	<u>-</u>
Ecopack - Employees' Gratuity Fund Trust			<u>49,886</u>	<u>43,738</u>

21. FINANCIAL INSTRUMENTS

21.1 Financial assets and liabilities

	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
----- Rupees in thousand -----				
December 31, 2023				
Financial assets:				
Maturity upto one year				
Trade debts	370,338	-	-	370,338
Loans and advances	6,022	-	-	6,022
Deposits, prepayments and other receivables	34,021	-	-	34,021
Cash and bank balances	14,623	-	-	14,623
Maturity above one year				
Long term deposits	-	14,506	-	14,506
	<u>425,004</u>	<u>14,506</u>	<u>-</u>	<u>439,510</u>
Financial liabilities:				
Maturity upto one year				
Employees' retirement benefits	49,886	-	-	49,886
Trade and other payables	425,745	-	-	425,745
Unclaimed dividend	3,615	-	-	3,615
Short term borrowings and running finance - secured	888,573	-	-	888,573
Current maturity of non-current liabilities	66,069	-	-	66,069
Maturity above one year				
Long term finances - secured	53,967	-	-	53,967
Lease liabilities	55,411	-	-	55,411
	<u>1,543,266</u>	<u>-</u>	<u>-</u>	<u>1,543,266</u>
June 30, 2023				
Financial assets:				
Maturity upto one year				
Trade debts	545,334	-	-	545,334
Loans and advances	10,238	-	-	10,238
Deposits, prepayments and other receivables	11,104	-	-	11,104
Short-term investments	-	-	-	-
Cash and bank balances	84,328	-	-	84,328
Maturity above one year				
Long term deposits	-	13,821	-	13,821
	<u>651,004</u>	<u>13,821</u>	<u>-</u>	<u>664,825</u>
Financial liabilities:				
Maturity upto one year				
Employees' retirement benefits	43,738	-	-	43,738
Trade and other payables	355,345	-	-	355,345
Unclaimed dividend	3,396	-	-	3,396
Short term borrowings and running finance - secured	1,124,271	-	-	1,124,271
Current maturity of non-current liabilities	65,823	-	-	65,823
Maturity above one year				
Long term finances - secured	54,530	-	-	54,530
Lease liabilities	51,140	-	-	51,140
	<u>1,698,243</u>	<u>-</u>	<u>-</u>	<u>1,698,243</u>

22. OPERATING SEGMENTS

22.1 Description of operating segments

The company's primary format for segment reporting is based on business segments. The business segments are determined based on the Company's management and internal reporting structure. Segment results and other information is provided on the basis of products.

22.2 Segment Information

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

	INJECTION (PREFORMS)						BLOWING (BOTTLES)						TOTAL	
	For the three-months ended		For the six-months ended		For the three-months ended		For the six-months ended		For the three-months ended		For the six-months ended		For the six-months ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
	(Rupees in '000)													
Total Sales	656,675	493,681	1,753,804	1,405,611	625,499	440,198	1,483,335	1,197,533	3,237,139	2,603,144				
Less: Intersegment sales (eliminated)	(297,347)	(302,828)	(754,648)	(738,134)	-	-	-	-	(754,648)	(738,134)				
Sales-net	359,328	190,853	999,156	667,477	625,499	440,198	1,483,335	1,197,533	2,482,491	1,865,010				
Total Cost of Sales	(387,787)	(235,342)	(977,448)	(728,954)	(871,615)	(740,615)	(2,088,122)	(1,876,944)	(3,065,570)	(2,605,898)				
Less: Intersegment cost (eliminated)	-	-	-	-	297,347	302,828	754,648	738,134	754,648	738,134				
Cost of sales-net	(387,787)	(235,342)	(977,448)	(728,954)	(574,268)	(437,787)	(1,333,474)	(1,138,810)	(2,310,922)	(1,867,764)				
Gross (loss) / profit	(28,459)	(44,489)	21,708	(61,477)	51,231	2,411	149,861	58,723	171,569	(2,754)				
Distribution expenses	(12,648)	(2,800)	(27,344)	(5,937)	(20,890)	(5,668)	(40,594)	(46,131)	(67,938)	(52,068)				
Administrative expenses	(13,354)	(12,085)	(27,456)	(24,035)	(21,856)	(24,133)	(40,762)	(43,122)	(68,218)	(67,157)				
Impairment loss on trade debts	-	(1,282)	-	(1,282)	-	(2,301)	-	(2,301)	-	(3,583)				
	(26,002)	(16,167)	(54,800)	(31,254)	(42,746)	(32,102)	(81,356)	(91,554)	(136,156)	(122,808)				
(Loss) / profit from operations	(54,461)	(60,656)	(33,092)	(92,731)	8,485	(29,691)	68,505	(32,831)	35,413	(125,562)				
	December 31, 2023		June 30, 2023		December 31, 2023		June 30, 2023		December 31, 2023		June 30, 2023		December 31, 2023	
Segment assets	1,232,101	1,487,969			1,271,773	1,222,795			2,503,874	2,710,764				
Unallocated assets	-	-			-	-			192,209	265,518				
	1,232,101	1,487,969			1,271,773	1,222,795			2,696,083	2,976,282				
Segment liabilities	797,071	878,788			728,576	839,041			1,525,647	1,717,829				
Unallocated liabilities	-	-			-	-			57,045	83,132				
	797,071	878,788			728,576	839,041			1,582,692	1,800,961				
Capital expenditure	13,436	64,660			34,534	23,765			47,970	88,425				
Unallocated capital expenditure	-	-			-	-			1,480	46,368				
	13,436	64,660			34,534	23,765			49,450	134,793				

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

	December 31,	December 31,
	2023	2022
	Rupees in thousand	
Operating profit/ (loss) of the reportable segments	35,413	(125,562)
Add: other income	1,448	3,403
Less: other expenses	(9,080)	(633)
Finance costs	(118,854)	(91,794)
(Loss) before taxation as per interim statement of profit or loss	<u>(91,073)</u>	<u>(214,586)</u>

23. GENERAL

23.1 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.

23.2 Rounding off

Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

23.3 Corresponding figures

Corresponding figures have been re-arranged and re-classified, where required, for the purposes of comparison and alignment with annual financial statements.

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 24 February, 2024.



**Chief Financial
Officer**



**Chief Executive
Officer**



Director

Manufacturers Of Quality PET Bottles & Preforms

EcoPack Ltd



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