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## **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.





Lets your dreams  
*Fly High...*

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

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

## AUDIT COMMITTEE

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

## HUMAN RESOURCE AND REMUNERATION COMMITTEE

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

## CHIEF OPERATING OFFICER

Mr. Mohammad Raza Chinoy

## CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

## COMPANY SECRETARY

Mr. Awais Imdad







### **BANKERS**

Bank Al-Habib Limited  
JS Bank Limited  
Askari Bank Limited

Habib Bank Limited  
Bank of Khyber  
PAIR Investment Co. Ltd.

### **EXTERNAL AUDITORS**

A. F. Ferguson & Co.

Chartered Accountants

### **INTERNAL AUDITORS (OUTSOURCED)**

BDO Ebrahim & Co.

Chartered Accountants

### **SHARE REGISTRAR**

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

### **LEGAL ADVISOR**

M/s. FGE Ebrahim Hosain

Advocate & Corporate Counsel

### **REGISTERED OFFICE AND FACTORY**

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











## OUR TEAM



**Hussain Jamil**  
Chief Executive Officer



**Mohammad Raza Chinoy**  
Chief Operating Officer



**Shahan Ali Jamil**  
Chief Information Officer



**Zamir ul Hasan**  
Director Commercial & Technical



**Muhammed Ali Adil**  
Chief Financial Officer



**Shahwaqar Ahmed**  
DGM HR, Supply Chain & Admin



## DIRECTORS' PROFILE



**AMAR ZAFAR KHAN**

Chairman of the Board

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

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



**HUSSAIN JAMIL**

Chief Executive Officer/Director

Hussain is the CEO of EcoPack Ltd., and has over 48 years of experience in trade and industry. This includes setting up and running a private limited company in Karachi manufacturing flexible plastic packaging. He is the founder Chairman and CEO of EcoPack and continues to strategically lead the company's growth in key areas such as corporate relationship management, financial arrangements & structuring, as well as developing new opportunities and partnerships for the company's long term sustainable growth.

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

Hussain is a honours graduate from the University of Karachi.







## DIRECTORS' PROFILE



**ASAD ALI SHEIKH**  
Non-Executive Director

Asad Ali Sheikh is on the Board of EcoPack Limited as Non-Executive Director since 2007 and has been Independent Director and Chairman of the Audit Committee since 2013. He did his B.Com. and LL.B. from the University of Sindh and did his MBA (Finance) from The Institute of Business Management, Karachi.

He possesses 34 years' vast experience with Non-Banking Financial Institutions in Pakistan which essentially included Leasing Companies and Modarabas with special focus on Leasing and Islamic Finance with functional involvement in the areas of Credit, Marketing, Operations, Risk Management and Compliance. He served longest tenure with BRR Modaraba and its other group concerns for 18 years mostly at GM level looking after Credit, Marketing, Operations and Risk.

For last eight years he has been associated with ORIX Leasing Pakistan Limited and has served at various senior positions (i.e. Head of Islamic Finance, Head of Compliance) and currently oversees the affairs of Special Asset Management as senior manager. He is also accredited mediator, certified from Pakistan Mediators' Association.

As an independent director and Chairman of the Audit Committee of Ecopack Limited he has been a guiding force and has contributed significantly towards ensuring good governance and compliances with the regulatory frame-work and various policies of the company.



**AHSAN JAMIL**  
Non-Executive Director

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

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



## DIRECTORS' PROFILE



**ALI JAMIL**

Non-Executive Director

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

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



**SONYA JAMIL**

Non-Executive Director

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



**LAILA JAMIL**

Non-Executive Director

Laila Jamil is a Non-Executive Director on the Board of EcoPack Limited. She completed her bachelors in history from Reed College, Portland, Oregon, USA and has over 18 years of work experience running an SME business in Karachi before joining the social sector. She has worked for the Sind Institute of Urology and Transplantation (SIUT) as head of Resource Generation and Outreach and at Aman Foundation as General Manager Programs Development. Laila now works for the British Council in Pakistan as Director Arts.







**BBB | A2 | Stable**

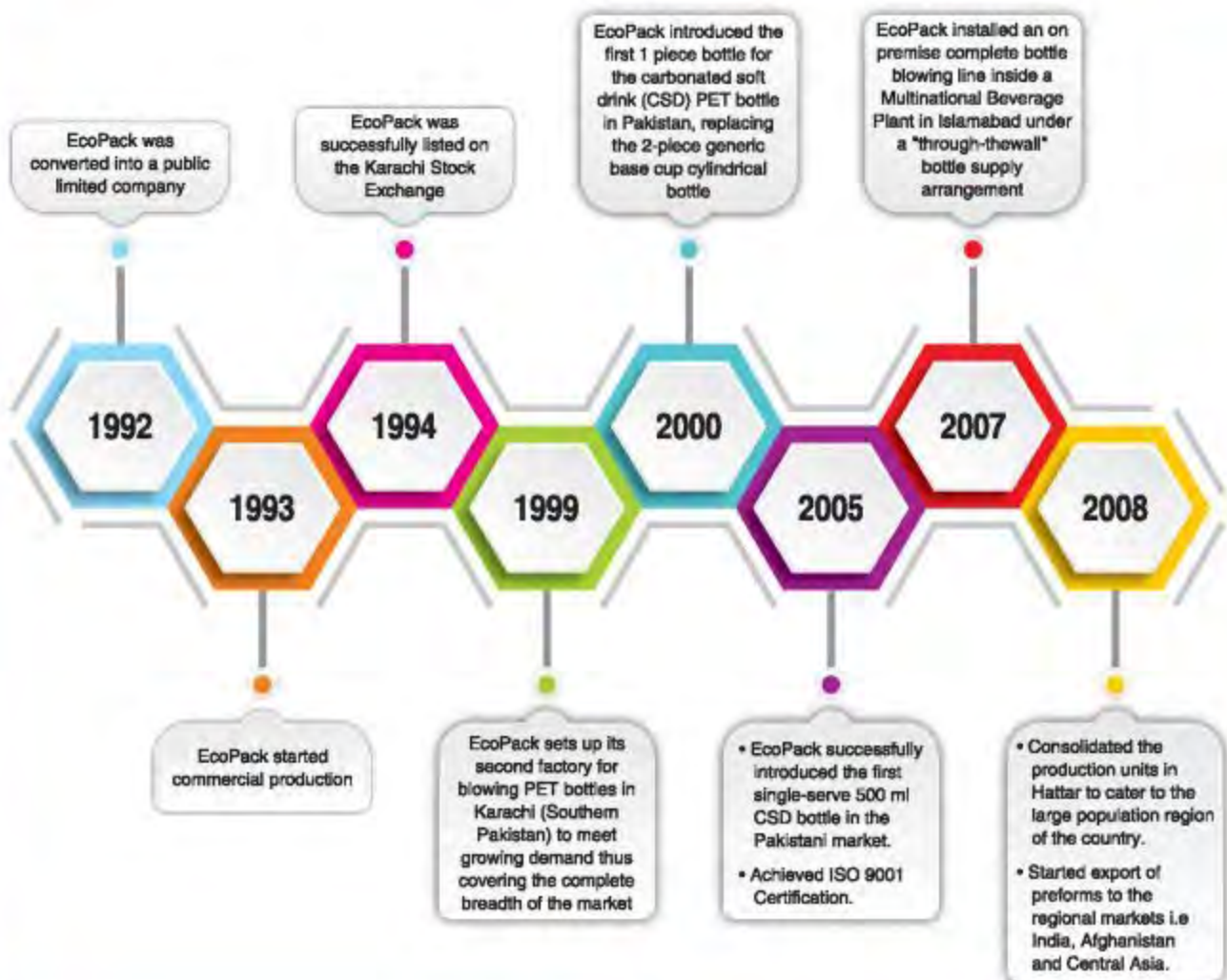
**Long-Term**

**Short-Term**

**Outlook**

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

# OUR HISTORY & MILESTONES





# OUR HISTORY & MILESTONES





## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

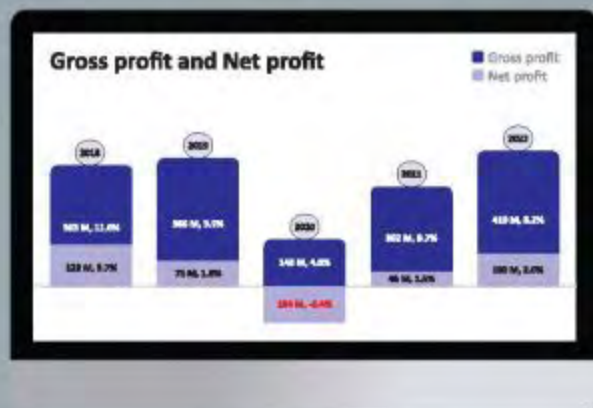




# SUMMARY OF FINANCIALS

	2022	2021	2020	2019	2018
	Rupees in '000				
<b>Summary of Statement of Financial Position</b>					
Share capital	419,638	381,489	381,489	348,809	301,573
Reserves	611,415	468,580	423,140	560,813	568,721
Shareholders' funds / Equity	1,031,053	850,069	804,629	907,422	868,294
Long term borrowings	153,053	247,214	287,478	267,303	325,194
Employee benefits	33,418	33,979	104,884	126,996	106,325
Deferred tax liabilities - net	16,714	22,145	49,311	129,234	132,429
Property, plant & equipment	1,424,091	1,336,883	1,408,042	1,426,872	1,362,572
Long term assets	1,441,177	1,354,383	1,426,356	1,463,845	1,381,721
Current assets	1,060,720	787,402	648,567	1,067,725	999,833
<b>Summary of Profit and Loss</b>					
Sales	5,025,212	3,100,689	3,053,947	4,074,873	3,312,401
Gross profit	409,692	301,575	147,964	385,817	363,200
Operating profit	268,108	159,162	12,332	235,919	199,132
Profit / (loss) before tax	145,718	68,503	(144,881)	108,831	132,311
Profit / (loss) after tax	100,179	46,114	(103,700)	74,811	123,456
EBITDA	401,486	288,655	147,675	369,095	318,948
<b>Summary of Cash Flows</b>					
Net cash flow from operating activities	249,390	(34,796)	439,442	71,980	77,422
Net cash flow from investing activities	(64,879)	(78,116)	(98,488)	(191,635)	(103,279)
Net cash flow from financing activities	(187,695)	161,702	(383,195)	79,424	81,511
Changes in cash & cash equivalents	(3,184)	48,790	(42,241)	(40,231)	55,654
<b>Summary of Actual Production (Units)</b>					
Preforms	456,581	420,473	376,837	467,866	387,500
Bottles	181,896	130,195	134,505	176,535	174,143

# BUSINESS PERFORMANCE





*As Unique As Your Product*



# HORIZONTAL ANALYSIS

## STATEMENT OF FINANCIAL POSITION

	2022	2021	2020	2019	2018
	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000	Rs. in '000
	%	%	%	%	%
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	1,424,091	1,336,883	1,408,042	1,426,872	1,382,572
Intangibles	4,477	5,291	6,105	6,623	7,402
Advance for capital expenditure	-	-	-	18,207	-
Long-term deposits	12,609	12,209	12,209	12,143	11,747
	1,441,177	1,354,383	1,426,356	1,463,845	1,381,721
<b>Current Assets</b>					
Inventories	489,420	442,389	297,598	388,069	283,332
Trade debts	440,522	228,181	214,694	402,706	454,623
Loans and advances	80,211	39,521	31,183	123,641	81,510
Deposits, prepayments and other receivables	4,611	4,722	7,381	13,973	9,387
Advance tax - net	33,116	36,787	77,433	103,823	111,248
Short term investments	7,125	7,125	-	-	-
Cash and bank balances	25,716	28,697	20,278	35,513	79,733
	1,090,720	787,402	648,567	1,067,725	999,833
<b>Total assets</b>	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Issued, subscribed and paid-up capital	419,638	381,489	381,489	348,809	301,573
Revaluation surplus on property and plant	183,560	121,233	138,582	144,982	161,552
Unappropriated profits	427,835	347,347	294,558	415,651	405,189
	1,031,053	850,069	804,629	907,422	868,294
<b>Non-Current Liabilities</b>					
Long term finances - secured	84,343	139,511	91,816	66,667	60,746
Deferred grant	1,783	2,152	3,123	-	-
Lease liabilities	68,710	107,703	195,860	200,636	284,448
Deferred tax liabilities - net	16,714	22,145	49,311	129,234	132,429
	171,550	271,511	339,910	396,537	457,623
<b>Current Liabilities</b>					
Employee benefits	33,418	33,979	104,884	126,996	106,325
Trade and other payables	478,466	212,608	239,665	203,452	297,614
Unclaimed dividend	2,937	2,761	2,719	2,527	1,302
Short term borrowings	806,842	595,040	525,209	737,692	484,941
Current portion of non-current liabilities	177,831	175,817	57,907	158,954	165,455
	1,298,294	1,020,205	930,384	1,227,611	1,055,637
	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>



# VERTICAL ANALYSIS

## STATEMENT OF FINANCIAL POSITION

	2022	2021	2020	2019	2018
	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000	Rs. In '000
	%	%	%	%	%
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	1,424,091	1,336,883	1,408,042	1,426,872	1,362,572
Intangibles	4,477	5,291	6,105	6,623	7,402
Advance for capital expenditure	-	-	-	18,207	-
Long-term deposits	12,609	12,209	12,209	12,143	11,747
	1,441,177	1,354,383	1,426,356	1,463,845	1,381,721
	55.92%	62.42%	67.66%	56.36%	57.21%
<b>Current Assets</b>					
Inventories	469,420	442,389	297,598	388,069	283,332
Trade debts	440,522	228,181	214,694	402,706	454,823
Loans and advances	80,211	39,521	31,183	123,641	81,510
Deposits, prepayments and other receivables	4,611	4,722	7,381	13,973	9,387
Taxation - net	33,118	36,787	77,433	103,823	111,248
Short term investments	7,125	7,125	-	-	-
Cash and bank balances	25,715	28,897	20,278	35,513	79,733
	1,080,720	787,402	648,587	1,067,725	999,833
	42.40%	36.76%	31.56%	42.18%	41.88%
<b>Total assets</b>	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>
	100.00%	100.00%	100.00%	100.00%	100.00%
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	419,638	381,489	381,489	346,809	301,573
Revaluation surplus on property and plant	183,580	121,233	138,582	144,962	161,552
Accumulated profit	427,835	347,347	284,558	415,951	405,168
	1,031,053	850,069	804,629	907,422	868,294
	41.21%	39.66%	38.76%	35.84%	36.46%
<b>Non-Current Liabilities</b>					
Long term finances - secured	84,343	139,511	91,816	66,667	60,746
Deferred grant	1,783	2,152	3,123	-	-
Lease liabilities	68,710	107,703	195,680	200,638	264,448
Deferred tax liabilities - net	18,714	22,145	49,311	129,234	132,429
	171,550	271,511	339,910	396,537	457,623
	6.85%	12.62%	16.33%	15.66%	19.22%
<b>Current Liabilities</b>					
Employee benefits	33,418	33,979	104,884	126,996	106,325
Trade and other payables	478,466	212,608	238,665	203,452	297,614
Unclaimed dividend	2,937	2,761	2,719	2,527	1,302
Short term borrowings	606,842	595,040	525,209	737,882	484,941
Current portion of non-current liabilities	177,631	175,817	57,907	156,954	165,455
	1,299,294	1,020,205	930,384	1,227,611	1,055,637
	51.82%	47.64%	44.84%	48.48%	44.33%
<b>Total equity and liabilities</b>	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>
	100.00%	100.00%	100.00%	100.00%	100.00%



# HORIZONTAL ANALYSIS

## STATEMENT OF PROFIT OR LOSS

	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019	19 vs 18	2018
	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000	%	Rs. in '000
Sales - net	5,025,212	52.07%	3,100,689	1.53%	3,053,947	(25.05)%	4,074,873	23.02%	3,312,401
Cost of sales	(4,615,520)	64.89%	(2,799,114)	(3.68)%	(2,905,983)	(21.23)%	(3,689,056)	25.09%	(2,949,201)
<b>Gross profit</b>	<b>409,692</b>	<b>35.85%</b>	<b>301,575</b>	<b>103.82%</b>	<b>147,964</b>	<b>(61.65)%</b>	<b>385,817</b>	<b>6.23%</b>	<b>363,200</b>
Selling expenses	(27,727)	4.43%	(26,552)	(4.76)%	(27,878)	1.76%	(27,397)	15.25%	(23,771)
Administrative expenses	(112,448)	12.40%	(100,046)	4.45%	(95,786)	(4.83)%	(100,650)	20.23%	(83,714)
Other income - net	(10,153)	(65.27)%	(30,097)	(282.75)%	16,469	(18.28)%	20,149	(49.37)%	39,800
Other expenses	9,618	(28.47)%	13,636	(144.83)%	(30,416)	(20.72)%	(38,367)	(58.37)%	(92,171)
Impairment loss on trade debts	(874)	(235.29)%	646	(67.36)%	1,979	(154.47)%	(3,633)	(13.75)%	(4,212)
<b>Operating profit</b>	<b>268,108</b>	<b>55.45%</b>	<b>159,162</b>	<b>1190.64%</b>	<b>12,332</b>	<b>(94.77)%</b>	<b>235,919</b>	<b>16.47%</b>	<b>199,132</b>
Finance cost	(122,390)	32.08%	(92,659)	(91.06)%	(157,213)	23.70%	(127,088)	30.19%	(66,821)
<b>Profit before taxation</b>	<b>145,718</b>	<b>119.11%</b>	<b>66,503</b>	<b>(145.90)%</b>	<b>(144,881)</b>	<b>(233.12)%</b>	<b>108,831</b>	<b>(17.75)%</b>	<b>132,311</b>
Taxation	(45,539)	123.85%	(20,389)	(149.51)%	41,181	(221.05)%	(34,020)	284.19%	(8,855)
<b>Profit after taxation</b>	<b>100,179</b>	<b>117.24%</b>	<b>46,114</b>	<b>(144.47)%</b>	<b>(103,700)</b>	<b>(236.62)%</b>	<b>74,811</b>	<b>(39.40)%</b>	<b>123,456</b>



# VERTICAL ANALYSIS

## STATEMENT OF PROFIT OR LOSS

	2022		2021		2020		2019		2018	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
Sales - net	5,025,212	100.00%	3,100,689	100.00%	3,053,947	100.00%	4,074,873	100.00%	3,312,401	100.00%
Cost of sales	(4,615,520)	(91.85)%	(2,799,114)	(90.27)%	(2,905,983)	(95.15)%	(3,689,056)	(90.53)%	(2,949,201)	(89.04)%
Gross profit	409,692	8.15%	301,575	9.73%	147,964	4.85%	385,817	9.47%	363,200	10.96%
Selling expenses	(27,727)	(0.55)%	(26,552)	(0.86)%	(27,878)	(0.91)%	(27,397)	(0.67)%	(23,771)	(0.72)%
Administrative expenses	(112,448)	(2.24)%	(100,046)	(3.23)%	(95,786)	(3.14)%	(100,650)	(2.47)%	(83,714)	(2.53)%
Other income - net	(10,153)	(0.20)%	(30,097)	(0.97)%	16,489	0.54%	20,149	0.49%	39,800	1.20%
Other expenses	9,618	0.19%	13,636	0.44%	(30,416)	(1.00)%	(38,367)	(0.94)%	(92,171)	(2.78)%
Impairment loss on trade debts	(874)	(0.02)%	546	0.02%	1,979	0.06%	(3,633)	(0.09)%	(4,212)	(0.13)%
Operating profit	268,108	5.34%	159,162	5.13%	12,332	0.40%	235,919	5.79%	199,132	6.01%
Finance cost	(122,390)	(2.44)%	(92,659)	(2.99)%	(157,213)	(5.15)%	(127,088)	(3.12)%	(66,821)	(2.02)%
Profit before taxation	145,718	2.90%	66,503	2.14%	(144,881)	(4.74)%	108,831	2.67%	132,311	3.99%
Taxation	(45,539)	(0.91)%	(20,389)	(0.66)%	41,161	1.35%	(34,020)	(0.83)%	(9,855)	(0.29)%
Profit after taxation	100,179	1.99%	46,114	1.49%	(103,700)	(3.40)%	74,811	1.84%	123,456	3.73%



# NOTICE OF ANNUAL GENERAL MEETING

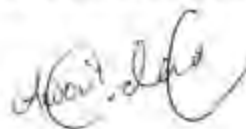
Notice is hereby given that the 31st Annual General Meeting of EcoPack Limited will be held on Friday, 28th October, 2022 at 09:00 AM at the registered office situated at Plot # 112-113, Phase-V, Hattar Industrial Estate, Hattar, District Haripur, Khyber Pakhtunkhwa to transact the following business:

## **Ordinary Business:**

1. To confirm the minutes of the 30th Annual General Meeting held on October 28th, 2021.
2. To receive and adopt the Directors' and Auditors' reports together-with Financial Statements of the company for the year ended June 30, 2022 as approved by the Board of Directors in its meeting held on 23rd September, 2022.
3. To approve issuance of Bonus shares @ 15% i.e. 15 shares for every 100 shares held, as recommended by the Board of Directors.
4. To elect Seven (07) Directors for a period of Next 3 years u/s 159(1) of the Companies Act, 2017, the Board has fixed the number of Directors to be elected as Seven (07). Following are the retiring directors:
 

1) Mr. Amar Zafar	2) Mr. Hussain Jamil	3) Mr. Asad Ali Sheikh
4) Mr. Ahsan Jamil	5) Mr. Ali Jamil	6) Mrs. Sonya Jamil
7) Ms. Laila Jamil		
5. To appoint external auditors and fix their remuneration for the year ending June 30, 2023. The present auditors M/s. A. F. Ferguson & Co. Chartered Accountants having retired and being eligible have offered themselves for re-appointment.
6. To transact with the permission of the Chair any other business which may be transacted at an Annual General Meeting.

By order of the Board



**AWAIZ IMDAD**  
Company Secretary

September 23, 2022

## **NOTES:**

1. **Statement of Material Facts u/s 166(3) of the Companies Act, 2017, pertaining to Business Item # 4 – Election of Directors:**

In terms of Section 159(1) of the Companies Act, 2017, the Directors have fixed the number of directors at 07 to be elected at the 31st Annual General Meeting (AGM) for a period of three years commencing from the conclusion of the 31st AGM.

Any person who seeks to contest the election of Directors shall, whether he is a retiring Director or otherwise, file with the Company at its Registered Office, Plot # 112-113, Phase 5, Industrial Estate Hattar, not later than





fourteen days before the date of the meeting, the following documents:

- i. Notice of his/her intention to offer himself/herself for election of Directors in terms of Section 159(3) of the Act, together with the consent to act as a Director in Form 28 prescribed under the Companies Act, 2017.
- ii. A detailed profile along with mailing address and other contact details as required under SECP's SRO 1196 (I)/2019 dated October 3<sup>rd</sup> 2019;
- iii. A candidate consenting for the election as Director must be a member of the Company at the time of filing of his/her consent except a person representing a member, which is not a natural person.
- iv. A declaration confirming that:
  - a) He/She is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Company and listing regulations of the Pakistan Stock Exchange;
  - b) He/She is not ineligible to become a Director of a listed company under any provisions of the Act (in particular u/s 153, 154, 155 etc.), the listed Companies (Code of Corporate Governance) Regulations, 2019 and any other applicable law, rules and regulations.

Independent Directors will be elected through the process of election of Directors in terms of Section 159 of the Act and the following criteria will be applied for selecting the nominee to be elected as an Independent Director:

- i. Nominee shall meet the criteria laid down under Section 166(2) of the Act in addition.
- ii. Nominee shall be selected from a data bank maintained by Pakistan Institute of Corporate Governance (PICG) as authorized by SECP.
- iii. The Company shall exercise due diligence when choosing the nominee to be elected as independent director.

## **2. Voting:**

Shareholders can exercise their right of voting subject to the requirements of S. 143 - 145 of the Companies Act 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations 2018

## **3. Closure of Shares Transfer Books:**

The share transfer books of the company will remain closed from October 15, 2022 to October 28, 2022 (Both days inclusive). Transfers received in order at our Share Registrar / Transfer agent M/s THK Associates (Pvt). Ltd. Karachi at the close of business on Friday, October 14, 2022 shall be treated in time for the purpose of Annual General Meeting and entitlement of Dividend if approved by the shareholders.

## **4. Participation in General Meeting:**

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

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

## **5. For Appointing Proxies:**

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

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

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

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, EcoPack Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement of providing their International Bank Account Number (IBAN).

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

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

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

**7. Withholding Tax on Dividend:**

As per Income Tax Ordinance, 2001, withholding tax will be determined separately keeping in view the Active/Non-Active Status of shareholder on the amount of dividend paid by the Company. Shareholders whose names are not entered into the Active Tax Payer List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for entitlement of the cash dividend i.e. October 15, 2022 (if approved by the shareholders); otherwise tax on their cash dividend will be deducted as per law.

**General Guidelines:**

- i) For any query/problem/information, the investors may contact the Company and / or the Share Registrar: The Manager, Share Registrar Department, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, KARACHI-75400, Telephone Number: 021-35310191-96, email address: aa@thk.com.pk and / or The Company Secretary, Telephone Number: 051-5974098 email address: awala\_i@ecopack.com.pk
- ii) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. Transfer Agent, M/s THK Associates (Private) Limited. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.
- iii) As per the clarification issued by FBR, withholding tax will be determined separately on "Filer/Non-Filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:





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

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

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

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

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

**9. Participation in the AGM vide Video-Link Facility:**

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

**10. Deposit of Physical Shares into CDC Account:**

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

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

**11. Unclaimed Dividend:**

Shareholders, who by any reason, could not claim their dividends / shares, if any, are advised to contact our Share Registrar to collect / enquire about their unclaimed dividend/shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend outstanding for a period of 3 years or more from the date due and payable shall be deposited to the Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

Given the aforementioned paragraph, its publication in newspaper shall for all purpose be treated as final notice required by law after 90 days of personalized letter (in this case dated June 27th, 2022) regarding unclaimed dividend. After 90 days of its publication, the company may proceed to deposit the same with the Federal Government.

**12. Change of Address:**

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



# CHAIRMAN'S REVIEW REPORT

The country's economy saw both recovery from the pandemic and economic growth throughout the time under consideration. Higher annual export revenues and home remittances contributed to increased purchasing power and general consumption. However, as a result of concurrently rising imports putting pressure on the PKR/USD parity together with rising inflation, compelled the State Bank to increase KIBOR from 7.5% to 15% to counter national inflation and PAK rupee devaluation. Worldwide commodity inflation further exacerbated our macro-economic problems as our balance of payments came under severe stress as the year progressed. Being cognizant of the present difficulties, the Board and management are taking measures to lessen the vulnerability of the company to such shocks because we are aware that unstable political conditions, declining economic health, currency devaluation, balance of payments deficit, inflation and flood damage will continue to be the main concerns for the economy going forward.

I am, however, pleased to observe the significant improvement in results for the year under review as compared to last year. Under the guidance of our Board, the company's management was able to turn the tide in your favour and achieved a good recovery posting an annual profit after tax of over Rs. 100 million. Despite the challenging business environment, your Company has shown considerable resilience and agility in managing its affairs, and delivered positive results in the face of huge inflationary headwinds.

For the overall performance of FY 2021-22, your company demonstrated considerable improvement as compared to the previous year, mainly due to timely and diligent operational decisions regarding supply chain and stock management, as well as improved product pricing during the year to counter the impact of an unprecedented inflationary cost-push across the board. During the year, your Company continued to conduct its operations with integrity, transparency and responsibility as being critical to retaining stakeholders' trust as well as increasing shareholder value. EcoPack remains committed in terms of business continuity, employee wellbeing, meeting its obligations in time with focus on strategic opportunities and important priorities of innovation and performance while mitigating the negative externalities.

Implementing procedures that support good Corporate Governance enhances stakeholders and potential investors confidence and trust, which in turn allows you to develop stronger and longstanding relationships. I am pleased to report that the Board and its sub-committees met regularly to ensure compliance with the requirements of the Code of Corporate Governance and evaluated its performance as required therein. I would also like to commend my fellow directors for their commitment and the contributions they make to our strategic deliberations and oversight, both in setting the direction for the company and also in monitoring its outcome.

On behalf of the Board, I would like to thank everyone at EcoPack for going the extra mile this year to build a stronger business and I wish them every success in their future endeavors.



**AMAR ZAFAR KHAN**

Chairman of the Board of Directors  
EcoPack Ltd.

September 23, 2022





## چیرمین جائزہ رپورٹ:

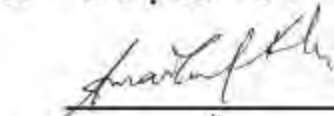
موجودہ مالی سال کے دوران وطن عزیز میں وبائی صورتحال سے واپسی کے ساتھ ساتھ معاشی ترقی میں اضافہ بھی دیکھا گیا۔ زیادہ سالانہ برآمدات اور گھریلو ترسیلات زر سے ہونے والی اضافی آمدنی، قوت خرید اور کھیت میں اضافے کے لیے مددگار رہی۔ تاہم بڑھتی ہوئی افراط زر کے ساتھ ساتھ بڑھتی ہوئی درآمدات کے نتیجے میں روپے/ڈالر کی برابری پر دباؤ بڑھنے پر اسٹیٹ بینک نے قومی افراط زر اور کرنسی کی قدر میں کمی کا مقابلہ کرنے کے لئے KIBOR کو 7.5 فیصد سے بڑھا کر 15 فیصد کر دیا۔ دنیا بھر میں اجناس کی افراط زر نے ہمارے میکر و اکٹا کی مسائل کو مزید بڑھا دیا ہے کیونکہ سال آگے بڑھنے کے ساتھ ہمارا ادائیگیوں کا توازن شدید دباؤ کا شکار ہو گیا۔ موجودہ مشکلات کا ادراک کرتے ہوئے، بورڈ اور انتظامیہ اس طرح کے چیلنجز سے کمپنی کے خطرے کو کم کرنے کے لیے اقدامات کر رہے ہیں کیونکہ ہم جانتے ہیں کہ غیر مستحکم سیاسی حالات، گرتی ہوئی معاشی صحت، کرنسی کی قدر میں کمی، ادائیگیوں کے توازن میں کمی، مہنگائی اور سیلاب سے ہونے والے نقصانات معیشت کو آگے بڑھنے کے لیے اہم خدشات رہیں گے۔

تاہم مجھے گزشتہ سال کے مقابلے میں زیر جائزہ سال کے نتائج میں نمایاں بہتری کا مشاہدہ کرتے ہوئے نہایت خوشی محسوس ہو رہی ہے۔ ہمارے بورڈ کی رہنمائی میں کمپنی کی انتظامیہ آپ کے حق میں نتائج تبدیل کرنے میں کامیاب رہی اور ایک اچھی ریکوری کی بنیاد ڈالتے ہوئے بعد از ٹیکس 100 ملین سے زائد سالانہ منافع حاصل ہوا۔ ایک مسابقتی کاروباری ماحول کے باوجود، آپ کی کمپنی نے اپنے معاملات کے انتظام میں ناقابل یقین ٹچک اور پھرتی کا مظاہرہ کیا ہے اور بھاری افراط زر کے باوجود مثبت نتیجہ پیش کیا ہے۔

مالی سال 2021-22 کے لئے مجموعی کارکردگی کے لئے، آپ کی کمپنی نے پچھلے سال کے مقابلے میں کافی بہتری کا مظاہرہ کیا، جس کی بنیادی وجہ سپلائی چین اور اسٹاک مینجمنٹ کے حوالے سے بروقت اور مستند آپریشنل فیصلوں کے ساتھ ساتھ سال کے دوران بہتر مصنوعات کی قیمتوں سے تمام اطراف سے مہنگائی کی بے مثال لاگت کا مقابلہ کیا۔ سال بھر آپ کی کمپنی نے ویسٹ انڈیز، شفافیت اور ذمہ داری کے ساتھ اپنا کام جاری رکھا جو کہ اسٹیک ہولڈرز کے اعتماد کو برقرار رکھنے کے ساتھ ساتھ شیئر ہولڈرز کی قدر میں اضافہ کے لیے بنیادی عمل ہے۔ ایکویٹیک کاروباری تسلسل، ملازمین کی فلاح و بہبود، واجبات میں بروقت کمی کے ساتھ ساتھ منفی رجحانات کو کم کرتے ہوئے جدت طرازی، کارکردگی اور اعتماد کی اہم ترجیحات پر توجہ مرکوز کیے ہوئے ہے۔

اچھی کارپوریٹ گورننس کی معاونت کرنے والے طریقہ کار پر عمل درآمد اسٹیک ہولڈرز اور ممکنہ سرمایہ کاروں کے اعتماد اور بھروسے میں اضافہ کرتا ہے، جس کے نتیجے میں آپ مضبوط اور دیرینہ تعلقات کو فروغ دے سکتے ہیں۔ یہ اطلاع دیتے ہوئے میں نہایت مسرور ہوں کہ بورڈ اور اس کی ذیلی کمیٹیوں نے کارپوریٹ گورننس کے ضابطہ اخلاق کے تقاضوں کی تعمیل کو یقینی بنانے کے لئے باقاعدگی سے اجلاس کیے اور اس میں ضرورت کے مطابق اپنی کارکردگی کا جائزہ لیا۔ میں اپنے ساتھی ڈائریکٹرز کے عزم اور تعاون کی بھی تعریف کرنا چاہوں گا جو انہوں نے کمپنی کی سمت متعین کرنے اور اس کے نتائج کی نگرانی اور ہمارے تدریجی غور و خوض اور اس کی نگرانی کے دوران کی ہے۔

بورڈ کی جانب سے میں ایکویٹیک میں سب کا شکریہ ادا کرنا چاہوں گا کہ انہوں نے اس سال ایک مضبوط کاروبار کی تعمیر کے لئے خصوصی کوشش کی ہے اور میں مستقبل کی ان کوششوں میں ان کی کامیابی کا خواہشمند ہوں۔

  
عامر ظفر خان  
چیرمین بورڈ آف ڈائریکٹرز  
۲۳ ستمبر ۲۰۲۲

# DIRECTORS' REPORT

The Board of directors of EcoPack Limited is pleased to present its Directors' Report as well as the audited annual financial statements together with the Auditor's Report thereon for the financial year ended 30th June 2022:

## OVERVIEW

The gradual but steady increase in inflationary factors affecting the cost of doing business in Pakistan took a dramatic turn for the worse in the second half of the financial year, eventually snowballing to unforeseen levels in the last quarter of the outgoing financial year closing June 2022.

This was mainly driven by 3 factors which had a pervasive impact on all the costs of the company: (1) sharp depreciation of the Pak. Rupee (PKR) against the USD/hard currencies to historic highs (2) significant increase in the price of crude oil internationally and (3) more than doubling of bank interest rates/KIBOR compared to a year ago. As these factors constitute the basic denominators driving costs and inflation across the COGS landscape, your company's margins were substantially depleted as the financial year progressed to a close. Financial charges increased by 32%, PKR depreciated by almost 30% against the USD, diesel rates shot up by over 35% increasing inland truck freight by almost 16%, PET resin increased by 73% and other packing materials rose by an average of 28% on a YOY comparison with the previous annual period.

Notwithstanding the reasons cited above, your company's management passed on some of the costs, wherever possible, to reduce imminent losses in sales, while it simultaneously took aggressive steps to enhance sales of all its products. The significant increase in volume sales achieved over the prior year enabled your company to dilute fixed costs overall. Timely







and effective supply-chain arrangements for PET resin and other key raw & packing materials in a rising commodity 'super cycle' worldwide assured reasonable margin protection for your company in this tumultuous inflationary environment.

Despite the massive macro-economic woes affecting the economy at large during the year, your company through prudent management and a significant increase in bottle sales as well as regular cost cutting & optimization of production costs, was able to post an after-tax profit of Rs. 100.2 million, i.e., 117 % over the previous year.



## DIRECTORS' REPORT

### SALES & FINANCIAL HIGHLIGHTS

Net sales revenue significantly increased by 62% from Rs. 3.1 billion to Rs. 5.0 billion as compared to last year. The major contribution for this revenue growth is an 84% increase in bottles sales and 45% in Preforms. Topline revenue has also increased due to an exponential rise in basic raw material prices (PET Resin) by 73% during the year. Amid the huge global inflationary price wave due to historic high crude oil prices, our COGS has also been badly hit by the irrepressible cost push, thus making it extremely difficult to maintain margins at the previous year's level. Electricity cost went up by 24% i.e., from Rs. 18.72 per unit to Rs. 23.17 per unit. However, despite these severe inflationary headwinds, your Company has been able to achieve a gross profit of Rs. 409.6 million against Rs. 301.5 million last year i.e., an increase of 36%. Similarly, Operating profit increased to Rs. 268.1 million from Rs. 159.1 million last year, an increase of 68% which is mainly due to higher volumes sold.

Financial charges have significantly increased from Rs. 92.6 million to Rs. 122.3 million, an increase of 32% mainly on account of the sharp increase in KIBOR and the SBP discount rate. KIBOR increased from 7.45% last year to 15.16% during the course of this year i.e., an increase of 103%.

Pre-tax profit is recorded at Rs. 145.7 million against a pre-tax profit of Rs. 66.5 million as







compared to last year - an improvement of Rs. 79.2 million. However, Post-tax profit comes to Rs. 100.2 million against a post-tax profit of Rs. 46.1 million last year. Thus, your Company has recorded an improvement in the bottom line by 117% i.e., by Rs. 54.1 million against the previous year.

Earnings per share (basic and diluted) for the financial year ended June 30, 2022 is Rs. 2.39 per share against earning per share of Rs. 1.10 per share for the last corresponding year.

## **FUTURE OUTLOOK**

Your company diligently continues on the path of product and customer diversification and maintains a balanced product line and range of products for the Food & Beverage (F&B) industry through its recent foray into packaging for 'cooking oil' and 'large containers' for the Bottled water sectors. This recent enterprise allows for better sales particularly in the winter off-season when beverage sales are relatively low, as well as customer diversification to minimize sectoral industry slowdown and attendant risk.

To stay abreast with a rapidly increasing F&B market, in turn serving a growing demographically young and energetic 'on the go' population, your company will have to make regular investments. This will both enhance its production capacity and also augment its range of products and services. With new production facilities being set in close proximity to our factory by a major international beverage group, as well as significant enhancements being made in the existing plant capacities of our customers, your company will have to gear up to exploit new and exciting opportunities.

Apart from targeted investments for increasing our own output capacity, one such glaring challenge is the inexorable rise in energy costs driven by the country's dependence on imported crude oil and gas. Hence, going forward, it is imperative for your company to increasingly generate electricity from Solar and other cheaper renewable sources. Plans are being considered to put up a solar energy at a nearby site to reduce our total dependence on the national grid. This will substantially reduce costs, both for our present and future operations, as your company pursues profitable growth following a robust Beverage industry serving a young thirsty populace.



# DIRECTORS' REPORT

## RISKS

The macro-economic conditions prevailing in the country combined with political uncertainty pose the most serious threat to stability and growth. The recent damage to crops and infrastructure on account of unprecedented rains and floods have further set the country back. Loss of lives, rising unemployment and people's displacement are significant challenges to cope with.

The country's balance of payment & trade problems plus meeting IMF targets and conditions are likely to exacerbate an already heavy financial burden for any government/corporate management.

Ongoing disruptions in Supply-Chain management, following the pandemic and the Ukraine war, have created great challenges for the economy. The combination of rampant geo-political uncertainty along with severe volatility in crude oil/gas prices, forex and logistics, makes a pernicious cocktail which continues to beset businesses and countries alike causing enormous planning and management dilemmas.



For & on behalf of the Board of Directors

**ASAD ALI SHEIKH**  
DIRECTOR

Date: September 23, 2022

**HUSSAIN JAMIL**  
CHIEF EXECUTIVE OFFICER





مصنوعات اور خدمات کی حد میں بھی اضافہ ہو گا۔ ایک بڑے بین الاقوامی مشروبات گروپ کی طرف سے ہماری فیکٹری کے قریب نئی پیداواری سہولیات قائم کرنے کے ساتھ ساتھ ہمارے صارفین کی موجودہ پلانٹ صلاحیتوں میں نمایاں اضافہ کیا جا رہا ہے، آپ کی کمپنی کو نئے اور دلچسپ مواقع سے فائدہ اٹھانے کے لئے تیار ہونا پڑے گا۔

اپنی پیداواری صلاحیت بڑھانے کے لئے سرمایہ کاری کے اہداف کے علاوہ، ایسا ہی ایک واضح چیلنج درآمد شدہ خام تیل اور گیس پر ملک کے انحصار کی وجہ سے توانائی کی لاگت میں بے دریغ اضافہ ہے۔ لہذا آگے بڑھتے ہوئے، آپ کی کمپنی کے لئے شمسی توانائی اور دیگر سستے قابل تجدید ذرائع سے بجلی پیدا کرنا ضروری ہے۔ میٹیل گروپ پر ہمارا مکمل انحصار کم کرنے کے لیے قریبی جگہ پر شمسی توانائی لگانے کے منصوبوں پر غور کیا جا رہا ہے۔ اس سے ہمارے موجودہ اور مستقبل دونوں آپریشنز کی لاگت میں خاطر خواہ کمی آئے گی، جیسا کہ آپ جانتے ہیں کہ آپ کی کمپنی ایک مضبوط مشروباتی صنعت کے ساتھ ساتھ منافع بخش ترقی کی راہ پر گامزن ہے اور نوجوان دلچسپی رکھنے والی آبادی کی خدمت پر مامور ہے۔

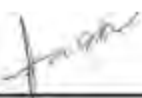
### خطرات

ملک کے موجودہ عام معاشی حالات اور سیاسی غیر یقینی صورتحال استحکام اور ترقی کے لئے سب سے سنگین خطرہ ہے۔ غیر معمولی بارشوں اور سیلاب کی وجہ سے فصلوں اور بنیادی ڈھانچے کو ہونے والے حالیہ نقصان نے ملک کو مزید پیچھے کی جانب دھکیل دیا ہے۔ جانوں کا ضیاع، بڑھتی ہوئی بے روزگاری اور لوگوں کی نقل مکانی سے نمٹنے کیلئے اہم چیلنج ہے۔

ملک میں ادائیگیوں کے توازن اور تجارتی مسائل کے علاوہ IMF کے اہداف اور شرائط کو پورا کرنا کسی بھی حکومت / کارپوریٹ انتظامیہ پر پہلے سے ہی موجود بھاری مالیاتی بوجھ کو بڑھا سکتا ہے۔

دہائی امراض اور یوکرین کی جنگ کے بعد سپلائی چین کے انتظامات میں جاری رکاوٹوں نے معیشت کے لئے بہت بڑی مشکلات کھڑی کر دی ہیں۔ خام تیل / گیس کی قیمتوں، فاریکس اور لاجسٹکس میں شدید اتار چڑھاؤ کے ساتھ جغرافیائی و سیاسی غیر یقینی کا استخراج ایک مہلک صورتحال کی غمازی کر رہا ہے جو یکساں طور پر کاروبار اور ممالک کو گھیر رہا ہے اور اس کی وجہ سے بڑے بڑے منصوبہ بندی اور انتظامیہ ایسے جنم لے رہے ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

  
اسد علی خان  
ڈائریکٹر

  
حسین جمیل  
چیف ایگزیکٹو آفیسر  
23 جنوری 2022

## فروخت اور مالیات کے اہم نکات

گزشتہ سال کی نسبت اس سال خالص آمدن 3.1 بلین روپے سے بڑھ کر 5 بلین روپے رہی یعنی 62% کا نمایاں اضافہ ہوا۔ یوتھوں کی فروخت میں ہونے والے 84% اضافہ اور پرفارمر کی فروخت میں ہوئے 45% اضافہ نے فروخت میں ہونے والے اس مجموعی اضافہ میں بنیادی کردار ادا کیا۔ سال کے دوران بنیادی خام مال کی قیمتوں (PET Resin) میں ہونے والے 73% اضافے کی وجہ سے ٹاپ لائن ریونیو میں بھی اضافہ ہوا ہے، خام تیل کی تاریخی اونچی قیمتوں کی وجہ سے عالمی سطح پر افراط زر کی قیمتوں میں آنے والی زبردست لہر کے دوران ہمارے COGS کو بھی ناقابل برداشت دھچکا لگا ہے اور اس طرح گزشتہ سال کی سطح پر مارجن کو برقرار رکھنا انتہائی مشکل ہو گیا ہے۔ بجلی کی لاگت 24% یعنی 18.72 روپے سے بڑھ کر 23.17 روپے فی یونٹ ہو گئی۔ تاہم افراط زر کی ان شدید سرگرمیوں کے باوجود آپ کی کمپنی گزشتہ سال کے 301.5 ملین روپے کے مقابلہ میں 409.6 ملین روپے کا مجموعی منافع حاصل کرنے میں کامیاب رہی ہے۔ یعنی گزشتہ سال کے مقابلہ میں 36% کا اضافی منافع حاصل ہوا۔ اسی طرح آپریٹنگ منافع گزشتہ سال کے 159.1 ملین روپے سے بڑھ کر 268.1 ملین روپے ہو گیا جو کہ 68% کا اضافہ ہوا جس کی بنیادی وجہ فروخت کی زیادہ مقدار ہے۔

مالیاتی اخراجات 92.6 ملین روپے سے بڑھ کر 122.3 ملین روپے ہو گئے ہیں، یعنی اخراجات میں 32% کا اضافہ ہوا جس کی بنیادی وجہ KIBOR اور SBP کے رعایتی نرخوں میں ہونے والا تیز اضافہ بنا۔ KIBOR گزشتہ سال کے 7.45% کے مقابلہ میں اس سال 15.16% بڑھا یعنی 103% کا اضافہ ہوا۔

قبل از ٹیکس منافع گزشتہ سال کے 66.5 ملین روپے کے مقابلہ میں 145.7 ملین روپے ریکارڈ کیا گیا ہے یعنی قبل از ٹیکس منافع میں 79.2 ملین روپے کی بہتری آئی۔ تاہم بعد از ٹیکس منافع گزشتہ سال کے 46.1 ملین روپے کے مقابلہ میں 100.2 ملین روپے رہا۔ اس طرح، آپ کی کمپنی نے نچلے درجے میں ہونے والی بہتری 117% ریکارڈ کی گئی یعنی گزشتہ سال کے مقابلہ میں 54.1 ملین روپے زائد۔ 30 جون 2022 کو ختم ہونے والے مالی سال کے لئے فی حصص آمدنی (basic and diluted) 2.39 روپے فی حصص ہے جبکہ گزشتہ سال اسی دورانیہ کے لئے فی حصص آمدنی 1.10 روپے رہی۔

## مستقبل کے امکانات

آپ کی کمپنی تندرستی سے مصنوعات اور گاہکوں کی تنوع کی راہ پر گامزن ہے اور بول چل بند پانی کے شعبوں کے لئے کھانا پکانے کے تیل اور بڑے کنٹینرز کے لئے چیکینگ میں اپنے حالیہ کوششوں کے ذریعے فوڈ اینڈ بوریٹج (F&B) صنعت کے لئے ایک متوازن مصنوعات کی لائن اور ریٹیلر رکھتی ہے۔ یہ حالیہ کاروباری مہم خاص طور پر موسم سرما کے آف سیزن میں بہتر فروخت کی اجازت دیتی ہے جب مشروبات کی فروخت نسبتاً کم ہوتی ہے، نیز شعبہ جاتی صنعت کی سست روی اور غیر موجودگی کے خطرے کو کم سے کم کرنے کے لئے صارفین کی تنوع کو کم کرتا ہے۔

تیزی سے بڑھتی ہوئی F&B مارکیٹ کے ساتھ ہم آہنگ رہنے کے لئے، آبادی میں تسلسل کے ساتھ بڑھتی ہوئی نوجوان اور توانائی سے بھرپور طبقہ کی خدمت کرنے کے لئے، آپ کی کمپنی کو اپنی پیداواری صلاحیت میں باقاعدگی سے سرمایہ کاری کرنی ہوگی اس سے اس کی پیداواری صلاحیت میں اضافہ ہوگا اور اس کی





## ڈائریکٹرز رپورٹ

ایکویپک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 30 جون 2022 کو ختم ہونے والے سال کے لیے آڈیٹرز رپورٹ کے ہمراہ ڈائریکٹرز رپورٹ اور کمپنی کے سالانہ آڈٹ شدہ مالیاتی گوشواروں کو بخوشی پیش کیا جا رہا ہے:

### عمومی جائزہ

پاکستان میں کاروبار کی لاگت کو متاثر کرنے والے مہنگائی کے عوامل میں بتدریج لیکن مسلسل اضافے نے مالی سال کی دوسری ششماہی میں ڈرامائی طور پر بدترین موڑ لیا، آخر کار جون 2022 کو اختتام پذیر مالی سال کی آخری سرمایہ میں غیر متوقع خرابی کی صورت حال رہی۔

یہ بنیادی طور پر تین عوامل کی وجہ سے تھا جس نے کمپنی کے تمام اخراجات پر وسیع پیمانے پر اثر ڈالا: (1) پاکستانی روپے (PKR) کی قدر میں تیزی سے ہوتی کمی۔ روپے (PKR) کے مقابلے میں امریکی ڈالر و دیگر مضبوط کرنسیوں کی تاریخی بلند ترین سطح (2) بین الاقوامی سطح پر خام تیل کی قیمت میں نمایاں اضافہ اور (3) پچھلے سال کے مقابلے میں بینک شرح سود / KIBOR میں دو گنا سے زیادہ اضافہ۔ چونکہ یہ عوامل COGS لینڈ اسکیمپ میں لاگت اور افراط زر کو چلانے کے بنیادی اعداد پر کو تکمیل دیتے ہیں اس لیے مالی سال کے اختتام پر آپ کی کمپنی کا کارجن کافی حد تک ختم ہو گیا تھا۔ مالیاتی اخراجات میں 32% اضافہ ہوا، PKR کی قدر میں امریکی ڈالر کے مقابلے میں تقریباً 30% کمی ہوئی، ڈیزل کے نرخوں میں 35% سے زائد کا اضافہ ہوا جس سے اندرون ملک ٹرکوں کے کرایوں میں تقریباً 16% اضافہ ہوا، PET Resin میں 73% اضافہ ہوا اور دیگر پیکنگ اشیاء میں گزشتہ سالانہ مدت کے مقابلے میں اوسطاً 28% اضافہ ہوا۔

اوپر بیان کی گئی وجوہات کے باوجود آپ کی کمپنی کی انتظامیہ نے فروخت میں ہوئے نقصانات کو کم سطح پر رکھنے کے لئے کچھ اخراجات کو جہاں بھی ممکن ہو سکا تھا ختم کیا، ساتھ ہی ساتھ اپنی تمام مصنوعات کی فروخت بڑھانے کے لئے جارحانہ اقدامات اٹھائے۔ گزشتہ سال کے دوران حاصل ہونے والے فروخت کے حجم کے مقابلے میں نمایاں اضافے نے بحیثیت مجموعی آپ کی کمپنی کو مقرر کردہ لاگت کو کم کرنے کے قابل بنادیا۔ PET Resin اور دیگر اہم خام اور پیکنگ اشیاء کے لئے بروقت اور موثر سپلائی چین انتظامات نے دنیا بھر میں بڑھتی ہوئی اجناس کے سپر سائیکل اور پمگامہ فیض افراط زر کے ماحول میں آپ کی کمپنی کے لئے معقول مارجن کا تحفظ یقینی بنایا۔

سال کے دوران بڑے پیمانے پر معیشت کو متاثر کرنے والی بڑی معاشی پریشانیوں کے باوجود آپ کی کمپنی محتاط انتظامات اور بوتلوں کی فروخت میں نمایاں اضافے کے ساتھ ساتھ پیداواری لاگت میں باقاعدگی سے کمی اور اصلاح کے ذریعے، بعد از ٹیکس منافع Rs. 100.2 ملین جو کہ گزشتہ سال کے مقابلے میں 117% زائد ہے، نفع حاصل کرنے میں کامیاب رہی۔

# ANNEXURE "A"

## TO THE DIRECTORS REPORT

### "SIX YEARS AT A GLANCE:"

	2022	2021	2020	2019	2018	2017
<b>Assets employed:</b>						
Property, plant and equipment	1,424,091	1,338,883	1,408,042	1,426,872	1,362,572	1,001,273
Intangibles and others	17,086	17,500	18,314	36,973	19,149	9,714
Current Assets	1,060,720	787,402	648,567	1,067,725	999,833	890,979
	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>	<b>1,701,966</b>

<b>Assets financed by:</b>						
Shareholders' equity including revaluation surplus	1,031,053	850,069	804,629	907,422	868,294	771,249
Long term finances	153,053	247,214	287,476	267,303	325,194	149,906
Employee benefits	33,418	33,979	104,884	126,996	106,325	92,319
Deferred Liabilities	18,497	24,297	52,434	129,234	132,429	169,246
Short term finances	784,473	770,857	583,116	894,636	650,396	353,070
Other current liabilities	481,403	215,369	242,384	205,979	298,916	166,176
	<b>2,501,897</b>	<b>2,141,785</b>	<b>2,074,923</b>	<b>2,531,570</b>	<b>2,381,554</b>	<b>1,701,966</b>

<b>Profit &amp; Loss:</b>						
Sales	5,025,212	3,100,889	3,053,947	4,074,873	3,312,401	2,205,360
Cost of Sales	4,615,520	2,799,114	2,905,983	3,689,056	2,949,201	1,890,903
Gross Profit	409,692	301,575	147,964	385,817	363,200	314,457
Operating expenses	141,584	142,413	135,632	149,898	164,068	110,233
Operating profit	268,108	159,162	12,332	235,919	199,132	204,224
Financial charges	122,390	92,659	157,213	127,088	66,821	54,302
Net profit / (loss) before taxation	145,718	66,503	(144,881)	108,831	132,311	149,922
Taxation	45,539	20,389	(41,181)	34,020	8,855	44,061
Net profit / (loss) after taxation	<b>100,179</b>	<b>46,114</b>	<b>(103,700)</b>	<b>74,811</b>	<b>123,456</b>	<b>105,861</b>

<b>Other comprehensive income and Transactions with owners:</b>						
Other comprehensive income	80,805	(674)	18,247	(305)	136	27,965
Bonus shares	15%	10%	0%	10%	15%	5%
Dividend	0%	0%	0%	5%	10%	10%

<b>Key Financial Ratios:</b>						
Gross profit	8.15%	9.73%	4.85%	9.47%	10.96%	14.28%
Operating profit	5.34%	5.13%	0.40%	5.79%	6.01%	9.26%
Profit before tax to net sales	2.90%	2.14%	-4.74%	2.67%	3.99%	6.80%
Return on capital employed	21.89%	13.77%	0.99%	16.49%	13.90%	17.89%
Fixed assets turnover (times)	3.49	2.29	2.14	2.78	2.40	2.18
Debt equity ratio	24:76	33:67	36:64	23:77	36:64	25:75
Current ratio	0.82	0.77	0.70	0.87	0.95	1.33
Earnings per share	2.39	1.10	(2.72)	1.96	3.24	2.77





# ANNEXURE "B"

## TO THE DIRECTORS' REPORT

### COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE:

#### **STATEMENT OF DIRECTORS RESPONSIBILITIES**

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

#### **OTHER DISCLOSURES**

1. Key operating and financial data for the last six years in summarized form has attached with the directors' report as Annexure "A".
2. There are no outstanding statutory payments on account of taxes, levies and charges except of normal and routine nature.
3. The company operates a contributory provident funded scheme for its management employees and defined benefit gratuity funded scheme for its non-management employees. The value of investments as at June 30, 2022 are as follows:

● Provident Fund Rs. 12.93 million	● Gratuity Fund Rs. 0.5 million
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4. The Company's business activities have no apparent negative impacts on the environment.
5. In respect of "Corporate Social Responsibility" (CSR), please refer note No. 31.1 of the financial statements for the year ended June 30, 2022.

6. The Board of Directors in its meeting held on September 23rd, 2022 is pleased to recommend issuance of Bonus share @ 15% i.e. 15 shares for every 100 shares held, for the year ended June 30, 2022 subject to approval by shareholders of the Company at the forthcoming Annual General Meeting.
7. The Composition of Board is as follows:
- |    |        |   |    |
|----|--------|---|----|
| a. | Male   | : | 05 |
| b. | Female | : | 02 |
8. The composition of Board is as follows:
- a) **Independent Directors**
- |                         |                         |
|-------------------------|-------------------------|
| (1) Mr. Asad Ali Sheikh | (2) Mr. Amar Zafar Khan |
|-------------------------|-------------------------|
- b) **Non-executive Directors**
- |                     |                   |
|---------------------|-------------------|
| (1) Mr. Ahsan Jamil | (2) Mr. Ali Jamil |
|---------------------|-------------------|
- (c) **Executive Director**
- Mr. Hussain Jamil
- (d) **Female Director (Non-Executive Directors)**
- |                      |                     |
|----------------------|---------------------|
| (1) Mrs. Sonya Jamil | (2) Ms. Laila Jamil |
|----------------------|---------------------|
9. Board has approved the Remuneration Policy of Directors; significant features are as follows:
- The Board of Directors ("BOD") shall, from time to time, determine and approve the remuneration of the members of the BOD for attending Board Meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BOD, and shall be aimed at attracting and retaining members needed to govern the Company successfully, and creating value addition.
  - No single member of the BOD shall determine his/her own remuneration.
  - The fee is paid to Directors (independent and non-executive) for attending the Board and Committee meetings and the same has been approved by the Board. They are also entitled to obtain reimbursement of expenses incurred on account of boarding, lodging and travelling to attend such meetings. The total amount of money paid to the Directors during the year is indicated in Note 44 of the attached financial statements.
10. The Board has formed committees comprising of members given below:
- a) **Audit Committee**
- |     |                     |   |          |
|-----|---------------------|---|----------|
| (1) | Mr. Asad Ali Sheikh | - | Chairman |
| (2) | Mr. Amar Zafar Khan | - | Member   |
| (3) | Mr. Ahsan Jamil     | - | Member   |
| (4) | Mr. Ali Jamil       | - | Member   |



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

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

11. During the year, 06 board of Directors, 04 Audit Committee & 04 HR & Remuneration Committee Meetings were held and the attendance of each director is given below:

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

<u>Name of Directors</u>	<u>No. of Meetings Attended</u>
Mr. Amar Zafar Khan	06
Mr. Hussain Jamil	06
Mr. Ali Jamil	06
Mrs. Sonya Jamil	06
Mr. Asad Ali Sheikh	06
Mr. Ahsan Jamil	04
Mr. Rehan Jamil	-
Ms. Laila Jamil (including as an alternate director of Mr. Rehan Jamil)	05

**b) Audit Committee Meetings:-**

<u>Name of Members</u>	<u>No. of Meetings Attended</u>
Mr. Asad Ali Sheikh	04
Mr. Amar Zafar Khan	04
Mr. Ahsan Jamil	02
Mr. Ali Jamil	04

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

<u>Name of Members</u>	<u>No. of Meetings Attended</u>
Mr. Amar Zafar Khan	04
Mr. Hussain Jamil	04
Mr. Asad Ali Sheikh	04
Mrs. Sonya Jamil	04
Mr. Ahsan Jamil	02

12. Trading of shares by Directors, Spouse of a Director, Chief Executive Officer, Chief Financial Officer & Secretary of the Company during the year 2021-2022 is as under:

<u>Name</u>	<u>Designation</u>	<u>No. of Shares</u>
		<u>Acquired / (Sold)</u>
Mr. Amar Zafar Khan	Director	Nil
Mr. Hussain Jamil*	Chief Executive Officer	19,000/Nil
Mr. Ahsan Jamil	Director	Nil
Mr. Ali Jamil	Director	Nil
Mr. Asad Ali Sheikh	Director	Nil
Mrs. Sonya Jamil	Director	Nil
Mr. Rehan Jamil	Director	Nil
Ms. Laila Jamil	Director	Nil
Mrs. Deborah Jamil	Spouse (Chief Executive Officer)	Nil
Mr. Muhammed Ali Adil	Chief Financial Officer	Nil
Mr. Awais Imdad	Company Secretary	Nil

#### **KEY MANAGEMENT PERSONNEL CHANGES:**

- \*Mr. Hussain Jamil was appointed as CEO of the Company on July 1st, 2021, following the resignation of Mr. Raza Chinoy.

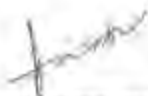
#### **BOARD CHANGES:**

- In 125th Board Meeting of the Company held on June 30th, 2022, Ms. Laila Jamil appointed as a director of EcoPack Limited, to fill the casual vacancy created by the resignation of Mr. Rehan Jamil.
- The Board of Directors places on record its appreciation for services rendered by retiring Director Mr. Rehan Jamil. Further, the Board welcomes newly appointed Director, Ms. Laila Jamil on the Board.

#### **AUDITORS:**

Auditors M/s A. F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ended June 30, 2022. The Board of Directors recommended the suggestion of the Audit Committee, to the 31st AGM, for the appointment of M/s A. F. Ferguson & Co. Chartered Accountants as Auditors of the Company for the year ending June 30, 2023.

For & on behalf of the Board of Directors



**ASAD ALI SHEIKH**  
 DIRECTOR  
 September 23, 2022



**HUSSAIN JAMIL**  
 CHIEF EXECUTIVE OFFICER





12۔ ڈائریکٹرز اور ایگزیکیوٹو آفیسر، چیف ٹیکسٹائل آفیسر اور کمپنی سیکریٹری کی جانب سے سال 2021-2022 کے دوران شہری خرید و فروخت درج ذیل ہے:

نام	عہدہ	حصص کی تعداد (خرید/فروخت)
جناب عامر ظفر خان	ڈائریکٹر	کوئی نہیں
جناب حسین جمیل	چیف ایگزیکٹو آفیسر	19,000 / کوئی نہیں
جناب احسن جمیل	ڈائریکٹر	کوئی نہیں
جناب علی جمیل	ڈائریکٹر	کوئی نہیں
جناب اسد علی شیخ	ڈائریکٹر	کوئی نہیں
مسز سونیا جمیل	ڈائریکٹر	کوئی نہیں
جناب رحمان جمیل	ڈائریکٹر	کوئی نہیں
محترمہ لیلیٰ جمیل	ڈائریکٹر	کوئی نہیں
محترمہ سہیلہ جمیل	شریک حیات (جناب حسین جمیل)	کوئی نہیں
جناب محمد علی عادل	چیف ٹیکسٹائل آفیسر	کوئی نہیں
جناب اویس امداد	کمپنی سیکریٹری	کوئی نہیں

### اہم انتظامی عملہ تبدیلیاں:

\* جناب رضا چنائے کے استعفیے کے بعد جناب حسین جمیل کو یکم جولائی 2021 کو کمپنی کا سی ای او مقرر کیا گیا۔

### بورڈ تبدیلیاں:

30 جون 2022 کو منصفہ کمپنی کے 125 ویں بورڈ میٹنگ میں محترمہ لیلیٰ جمیل کو ایکٹو پیک لیمٹڈ کی ڈائریکٹر مقرر کیا گیا تاکہ جناب رحمان جمیل کے استعفیے سے پیدا ہونے والے خلا کو پُر کیا جاسکے۔

بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے ڈائریکٹر جناب رحمان جمیل کی خدمات کو سراہا ہے۔ مزید برآں بورڈ کو منتخب ڈائریکٹر محترمہ لیلیٰ جمیل کو خوش آمدید کہا۔

### آؤٹریز:

آؤٹریز میسرز ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2022 کو ختم ہونے والے سال کے لئے آؤٹریز مقرر کیا گیا تھا۔ بورڈ آف ڈائریکٹرز نے اکتیسویں سالانہ اجلاس عام کے لیے، 30 جون 2023 کو ختم ہونے والے سال کے لیے بطور کمپنی آؤٹریز میسرز ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی بطور آؤٹریز تقرری کے لیے آؤٹ کمپنی کی تجویز کی سفارش کی۔

برائے اور محتاج بورڈ آف ڈائریکٹرز



حسین جمیل  
چیف ایگزیکٹو آفیسر



اسد علی شیخ  
ڈائریکٹر

تاریخ: 23 ستمبر 2022

11. موجودہ سال کے دوران 08 بورڈ آف ڈائریکٹرز، 04 آؤٹ کیشی اور 04 بچ آراء معاوضہ کمیٹی کے اجلاس کا انعقاد ہوا اور ان میں ہر ڈائریکٹر کی حاضری تفصیلات ذیل میں درج ہیں:

(a) بورڈ آف ڈائریکٹرز کے اجلاس:-

ڈائریکٹرز کے نام	اجلاس میں شمولیت کی تعداد
جناب عامر ظفر خان	06
جناب حسین جمیل	06
جناب علی جمیل	06
مسز سونیا جمیل	06
جناب اسد علی شیخ	06
جناب احسن جمیل	04
جناب ریحان جمیل	-
محترمہ لیلیٰ جمیل (شہول جناب ریحان جمیل کے متبادل کے طور پر شریک ہوئیں)	05

(b) آؤٹ کیشی کے اجلاس:-

ڈائریکٹرز کے نام	اجلاس میں شمولیت کی تعداد
جناب اسد علی شیخ	04
جناب عامر ظفر خان	04
جناب احسن جمیل	02
جناب علی جمیل	04

(c) انسانی وسائل اور معاوضہ کمیٹی کے اجلاس:-

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





8. بورڈ کی حیثیت ترکیبی مندرجہ ذیل ہے:

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

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

- بورڈ آف ڈائریکٹرز وقتاً فوقتاً بورڈ اراکین کے لیے بورڈ میٹنگز میں شمولیت کے عوض معاوضے کا تعین اور منظوری دے گا۔ معاوضے کی یہ سطحی اوڈی کے اراکین کی طرف سے پیش کردہ ذمہ داری اور مہارت کی سطح سے مناسبت اور مطابقت رکھتا ہوگا، اور اس کا مقصد رکن کو راغب کرنا اور برقرار رکھنا ہوگا۔
- بورڈ آف ڈائریکٹرز کا کوئی اکوٹا رکن اپنے معاوضے کا از خود تعین نہیں کرے گا۔
- بورڈ اور کمپنی کے اجلاس میں شرکت کے لئے ڈائریکٹرز (آزاد اور غیر ایگزیکٹو) کو فیس کی ادائیگی کی جاتی ہے اور بورڈ اس کی منظوری دے چکا ہے۔ مزید یہ کہ وہ اس طرح کے اجلاس میں شرکت کے دوران ہونے والے بورڈنگ، قیام اور سفری اخراجات کی ادائیگی کے بھی حقدار ہیں۔ سال کے دوران ڈائریکٹرز کو ادائیگی کی جانی والی مجموعی رقم کو شکاف مالیاتی گوشواروں کی شیٹ 44 میں ظاہر کیا گیا ہے۔

10. بورڈ نے ذیل میں دیے گئے اراکین پر مشتمل کمیٹیاں تشکیل دی ہیں:

- (a) آڈٹ کمیٹی
- (1) جناب اسد علی شیخ  
چیرمین
- (2) جناب عامر ظفر خان  
رکن
- (3) جناب احسن جمیل  
رکن
- (4) جناب علی جمیل  
رکن

(b) انسانی وسائل اور معاوضہ (ایچ آر اینڈ سی)

- (1) جناب عامر ظفر خان  
چیرمین
- (2) جناب اسد علی شیخ  
رکن
- (3) جناب حسین جمیل  
رکن
- (4) جناب احسن جمیل  
رکن
- (5) مسز سونیا جمیل  
رکن

## ڈائریکٹرز کی رپورٹ کے مطابق "ضمیمہ بی"

### ضابطہ کی تعمیل برائے کارپوریٹ گورننس:

#### ڈائریکٹرز کی ذمہ داریوں کا بیان:

1. انتظامیہ کے تیار کردہ مالیاتی گوشوارے، اس کے امور کی صورت حال، اس کی کارروائیوں کے نتائج، نقدی کے بہاؤ اور ایکویٹی میں تبدیلیوں کی درست صورت حال پیش کرتے ہیں۔
2. باقاعدہ کھاتہ جات تیار کر کے اور سنبھال کے رکھے گئے ہیں۔
3. مالیاتی گوشواروں کی تیاری میں موزوں کھاتہ جاتی پالیسیوں کا نفاذ تسلسل کے ساتھ کیا گیا ہے اور حساب کتاب کے تجزیے معقول اور محتاط اندازوں پر مشتمل ہیں۔
4. مالیاتی گوشواروں کی تیاری کے دوران پاکستان میں نافذ اعلیٰ بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل درآمد کو یقینی بنایا گیا ہے اور ان سے متعلق کسی قسم کے احتراز کو وضاحت کے ساتھ بیان کیا گیا ہے۔
5. اندرونی کنٹرول کا نظام اپنی حیثیت میں ایک مضبوط نظام ہے جسے نہ صرف موثر انداز میں نافذ کیا گیا بلکہ اس کی موثر نگرانی کو بھی یقینی بنایا گیا ہے۔
6. کمپنی کے کاروباری معاملات کو جاری رکھنے کے لیے درکار صلاحیت سے متعلق کسی قسم کے شکوک و شبہات نہیں پائے جاتے ہیں۔
7. کارپوریٹ گورننس کے بہترین طریقے سے کسی قسم کا احتراز نہیں کیا گیا جیسا کہ لسٹنگ کے قواعد و ضوابط میں تفصیل سے دیا گیا ہے۔

#### دیگر انکشافات:

1. گزشتہ چھ سالہ گلیڈی آپریشن اور مالیاتی اعداد و شمار کو مختصر ڈائریکٹرز رپورٹ کے ساتھ ضمیمہ الف کے طور پر منسلک کیا گیا ہے۔
  2. عمومی اور روزمرہ کے معمول کے اخراجات کے علاوہ کسی قسم کی ادائیگیاں آئینی، لیویز اور چارجز کی مد میں واجب الادائیں ہیں۔
  3. کمپنی اپنے انتظامی ملازمین کے لئے شراکت داری پر مبنی پروویڈنٹ فنڈ اسکیم جبکہ اپنے غیر انتظامی ملازمین کے لئے وضع شدہ فائدہ مند گریجویٹ فنڈ اسکیم کو چلاتی ہے۔ اس میں 30 جون 2022 تک کی گئی سرمایہ کاری کی تفصیلات درج ذیل ہیں:
- |                |            |
|----------------|------------|
| • پروویڈنٹ فنڈ | 12.93 ملین |
| • گریجویٹ فنڈ  | 0.5 ملین   |
4. کمپنی کی طرف سے کی جانے والی کاروباری سرگرمیوں کے باعث ماحول پر کسی قسم کا منفی اثر نہیں پڑتا ہے۔
  5. "کارپوریٹ سماجی ذمہ داری" (CSR) کے سلسلے میں، براہ کرم 30 جون 2022 کو ختم ہونے والے سال کے مالیاتی بیانات کا نوٹ نمبر 31.1 دیکھیں۔
  6. بورڈ آف ڈائریکٹرز نے 23 ستمبر 2022 کو منعقدہ اجلاس میں 30 جون کو اختتام پذیر مالی سال کے لئے بزنس شیئر @ 15 فیصد یعنی کہ ہر (100) حصص کے لئے پندرہ (15) حصص جاری کرنے کی شرط و سفارش کو کرتے ہوئے نہایت مسرت کا اظہار کیا ہے۔
  7. بورڈ کی ہیٹ ترکیبی مندرجہ ذیل ہے:

(a) مرد 05:

(b) خواتین 02:





## PATTERN OF SHARE HOLDING

ANNEXURE - C  
AS AT JUNE 30, 2022

Serial No	No. Of Shareholders	Shareholding		Total Shares Held	Percentage %
		From	To		
1	352	1	100	10,384	0.02%
2	629	101	500	157,214	0.37%
3	478	501	1000	311,139	0.74%
4	630	1001	5000	1,473,098	3.51%
5	70	5001	10000	489,607	1.17%
6	27	10001	15000	329,180	0.78%
7	7	15001	20000	119,186	0.28%
8	10	20001	25000	224,429	0.53%
9	9	25001	30000	251,121	0.60%
10	5	30001	35000	161,622	0.39%
11	1	35001	40000	38,588	0.09%
12	2	40001	45000	85,050	0.20%
13	1	50001	55000	52,695	0.13%
14	1	60001	65000	61,000	0.15%
15	1	75001	80000	78,091	0.19%
16	1	85001	90000	88,000	0.21%
17	1	130001	135000	132,000	0.31%
18	1	165001	170000	166,043	0.40%
19	1	185001	190000	187,590	0.45%
20	1	220001	225000	220,400	0.53%
21	1	390001	395000	395,000	0.94%
22	1	500001	505000	504,446	1.20%
23	1	535001	540000	536,850	1.28%
24	1	1510001	1515000	1,511,500	3.60%
25	1	1925001	1930000	1,926,600	4.59%
26	1	2480001	2485000	2,482,480	5.92%
27	1	2580001	2585000	2,584,638	6.16%
28	1	2655001	2660000	2,658,000	6.33%
29	1	3095001	3100000	3,099,390	7.39%
30	1	4020001	4025000	4,021,000	9.58%
31	3	4095001	4100000	12,300,000	29.31%
32	1	5305001	5310000	5,307,500	12.65%
2242		Total Shares Held		41,963,841	100.00%

## CATEGORIES OF SHAREHOLDERS

S.NO	Name	Number of Share Holders	Total Shares Held	Percentage
1	<b>Directors, Chief Executive Officer, and their Spouse and Minor Children:-</b>			
	Mr. Hussain Jamil	1	7,234,100	17.239%
	Mr. Ali Jamil	1	30,994	0.074%
	Mr. Ahsan Jamil	1	1,217	0.003%
	Mr. Amar Zafar Khan	1	899	0.002%
	Mr. Asad Ali Sheikh	1	899	0.002%
	Mrs. Deborah Jamil	1	9,370	0.022%
	Mrs. Sonya Jamil	1	565	0.001%
	Ms. Laila Jamil	1	899	0.002%
	<b>Sub-Total:</b>	<b>8</b>	<b>7,278,943</b>	<b>17.346%</b>
2	<b>Associated Companies, Undertakings and related parties</b>	NIL	NIL	0.00%
3	<b>NIT AND ICP</b>			
	M/s. Investment Corporation Of Pakistan	1	169	0.000%
	National Bank of pakistan Trustee Wing, Head Office	1	431	0.001%
	<b>Sub-Total:</b>	<b>2</b>	<b>600</b>	<b>0.001%</b>
4	<b>Banks, Development Financial Institutions &amp; Non Banking Financial Institutions:-</b>			
	National Development Fin.Corp.Investor	1	12,690	0.030%
	Prudential Stock Fund Ltd.	2	208,988	0.498%
	Margalla Financial (Private) Limited	1	3,000	0.007%
	<b>Sub-Total:</b>	<b>4</b>	<b>224,678</b>	<b>0.535%</b>
5	<b>Insurance Companies</b>	NIL	NIL	0.00%
6	<b>Modarabas And Mutual Funds:-</b>			
	First Equity Modaraba	1	40,050	0.095%
	Modaraba Al-Mali	1	27,053	0.064%
	CDC - Trustee NAFA Islamic Stock Fund	1	2,519	0.006%
	<b>Sub-Total:</b>	<b>3</b>	<b>69,622</b>	<b>0.165%</b>





## CATEGORIES OF SHAREHOLDERS

S.NO	Name	Number of Share Holders	Total Shares Held	Percentage
7	<b>Share holding 10% or more voting interest</b>			
	Mr. Hussain Jamil	1	7,234,100	17.239%
	<b>Sub-Total:</b>	<b>1</b>	<b>7,234,100</b>	<b>17.239%</b>
8	<b>General Public</b>			
	Local - Individuals	2,202	21,562,643	51.384%
	<b>Sub-Total:</b>	<b>2,202</b>	<b>21,562,643</b>	<b>51.384%</b>
	Foreign Investors:-			
	M/s. Somers Nominee (Far East) Limited	1	11,255	0.027%
	<b>Sub-Total:</b>	<b>1</b>	<b>11,255</b>	<b>0.027%</b>
9	<b>Others</b>			
	M/s Freedom Enterprises (Pvt) Ltd.	1	4,540	0.011%
	Dr. Arslan Razaque Securities (Smc-Pvt)	1	1,937	0.005%
	Fikree'S (Pvt) Ltd.	1	29,000	0.069%
	Prudential Securities Limited	2	1,002	0.002%
	JS Global Capital Limited - MF	1	27,000	0.064%
	Maple Leaf Capital Limited	1	1	0.000%
	Muhammad Ahmed Nadeem Securities (Smc-Pvt)	1	907	0.002%
	Federal Board Of Revenue	1	504,448	1.202%
	S.A. Prosperity (Pvt.) Ltd.	1	126	0.000%
	Capital Financial Services (Pvt.) Ltd.	1	6,600	0.016%
	Mam Securities (Pvt) Limited	1	177	0.000%
	Mra Securities Limited - Mf	2	6,500	0.015%
	Dawood Equities Limited- Mf	2	10,500	0.025%
	Axis Global Limited - Mf	1	1,000	0.002%
	Y.S. Securities (Private) Limited	1	1,261	0.003%
	Shaffi Securities (Pvt) Limited	1	103	0.000%
	Sumya Builders & Developers	1	4,100,000	9.770%
	Crosby Paksitan (Private) Limited	1	4,021,000	9.582%
	The Eastern Express Company (Private) Limited	1	4,100,000	9.770%
	<b>Sub-Total:</b>	<b>22</b>	<b>12,816,100</b>	<b>30.541%</b>
	<b>Grand Total:</b>	<b>2,242</b>	<b>41,963,841</b>	<b>100%</b>

# INDEPENDENT AUDITORS' REVIEW REPORT

## TO THE MEMBERS OF ECOPACK LIMITED

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

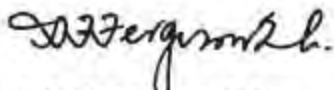
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ecopack Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

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

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

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the Regulations as applicable to the Company for the year ended June 30, 2022.



**A. F. Ferguson & Co.**  
**Chartered Accountants**  
**Islamabad**

**Date: 26 September 2022**

**UDIN: CR202210083Bp0thXIYr**





# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**Name of Company** : EcoPack Limited  
**Year Ending** : 30th June 2022

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

1. The total number of Directors are seven as per the following:
  - a. Male : 5
  - b. Female : 2
2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Amar Zafar Khan Mr. Asad Ali Sheikh
Non-executive Director	Mr. Ali Jamil Mr. Ahsan Jamil
Executive Director	Mr. Hussain Jamil
Female Director	Mrs. Sonya Jamil (Non-executive Director) Ms. Laila Jamil (Non-executive Director)

*\*The Company believes that having two elected independent directors with requisite competencies, skills, knowledge and experience is adequate to exercise independence in decision making within the Board hence, appointment of a third independent director is not warranted.*

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies, along with their date of approval or updating is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / Shareholders, as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Out of seven Directors, five of the Directors of the Company have obtained certification under Directors' Training Program in previous years and whereas none of the Directors attended Directors' Training Program in current year.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed Committees comprising of members given below:

<b>Audit Committee</b>	<b>HR and Remuneration Committee</b>
Mr. Asad Ali Sheikh (Chairman)	Mr. Amar Zafar Khan (Chairman)
Mr. Amar Zafar Khan	Mr. Hussain Jamil
Mr. Ali Jamil	Mr. Asad Ali Sheikh
Mr. Ahsan Jamil	Mrs. Sonya Jamil
	Mr. Ahsan Jamil

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:
- Audit Committee – Quarterly - 4 meetings held during the year
  - HR and Remuneration Committee – on required basis - 4 meetings held during the year
15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the Auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

<b>Non-mandatory requirement</b>	<b>Reg. No.</b>	<b>Explanation</b>
<b>Nomination Committee:</b> The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	By virtue of the size & structure of the Board, the need for the nomination committee has not been observed as the Board effectively discharges all the responsibilities of Nomination Committee as recommended by the Code.
<b>Risk Management Committee:</b> The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Risk management and its mitigants including monitoring and review of all material controls are duly addressed by the Board itself and through its Audit committee. EcoPack also has a duly approved risk management and mitigation policy in this regard. Hence, the need for a discrete Risk Management Committee has not been observed.

September 23, 2022

  
**AMAR ZAFAR KHAN**  
 Chairman





# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF ECOPACK LIMITED

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the annexed financial statements of Ecopack Limited (the Company), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

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

#### Key Audit Matters

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

Following are the key audit matters:

S.No.	Key Audit Matters	How the matters were addressed in our audit
i)	<p><b>Revenue recognition</b></p> <p>(Refer notes 4.18 and 27 to the financial statements)</p> <p>The Company is engaged in the production and sale of preforms and bottles in local markets. The Company recognized gross revenue of Rs 5,889,685 thousand from the sales of preforms and bottles in local market. During the year, the demand and price of preforms and bottles increased from last year.</p> <p>We considered revenue recognition as a key audit</p>	<p>Our audit procedures in relation to the matter, amongst others, included:</p> <ul style="list-style-type: none"> <li>Understood and evaluated management controls over revenue and checked their validation;</li> <li>Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;</li> </ul>

matter due to revenue being one of the key performance indicators of the Company, large number of revenue transactions with a large number of customers in various geographical locations, inherent risk of material misstatement and significant increase in revenue from last year.

- Performed cut-off procedures on sample basis to ensure revenue has been recognised in the correct period;
- Checked on a sample basis, approval of sales prices by the appropriate authority;
- Performed recalculation of rebates, and discounts as per Company's policy on test basis;
- Performed analytical procedures to analyse variation in the price and quantity sold during the year; and
- Assessed the appropriateness of disclosures made in the financial statements related to revenue.

## ii) **Revaluation of property, plant and equipment**

(Refer note 4.3, 6 and 17 to the financial statements)

Under the International Accounting Standard 16 "Property, Plant and Equipment", the Company carries its lease-hold land, factory building and roads on lease-hold land and plant and machinery at revaluation model. Under the said model, if fair value can be measured reliably, an entity may carry all items of property, plant and equipment of a class at a revalued amount, which is the fair value of the items at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses, if any.

As at June 30, 2022, the carrying value of lease hold land, factory buildings & roads on leasehold land and plant & machinery was Rs 901,570 thousand. The fair value of the Company's lease hold land, factory buildings & roads on lease-hold land and plant & machinery were assessed by management based on independent valuation performed by an external property valuation expert as at December 31, 2021. For valuation of lease-hold land, factory buildings & roads on lease-hold land and plant & machinery, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar lease-hold land, factory buildings and roads on lease-hold land and plant and machinery 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.

We identified valuation of property plant and equipment as a key audit matter due to the significant carrying value and the significant management judgement and estimation involved in determining their value due to factors described above.

Our audit procedures in relation to the matter, amongst others, included:

- Evaluated the qualification, experience and competence of the independent external property valuation expert engaged by the Company as management expert for valuation;
- Obtained understanding of the valuation process and techniques adopted by the valuation expert to assess, if they are consistent with the industry norms;
- Obtained the valuation report of external valuation expert and tested mathematical accuracy of the reports;
- Engaged another independent valuation expert as an auditor expert to assess the appropriateness and the reasonableness of the related management's assumptions and methodologies used by the management expert; and
- Assessed the adequacy of the related disclosures in the annexed financial statements. In accordance with applicable accounting and reporting standards.



**Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's reports thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

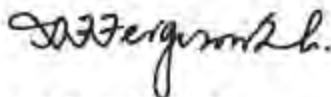
Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

#### **Other Matter**

The financial statements of the Company for the year ended June 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on October 6, 2021.

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



**A. F. Ferguson & Co.**  
Chartered Accountants  
Islamabad

Date: 26 September 2022

UDIN: AR202210083eSbOum0x2



**ECOPACK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 (Rupees in thousand)	2021
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	6	1,424,091	1,336,883
Intangible assets	7	4,477	5,291
Long term deposits		12,609	12,209
		<u>1,441,177</u>	<u>1,354,383</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools	8	84,827	67,607
Stock-in-trade	9	384,593	374,782
Trade debts	10	440,522	228,181
Loans and advances	11	80,211	39,521
Deposits, prepayments and other receivables	12	4,611	4,722
Advance tax - net	13	33,116	36,767
Short-term investments	14	7,125	7,125
Cash and bank balances	15	25,715	28,697
		<u>1,060,720</u>	<u>787,402</u>
<b>TOTAL ASSETS</b>		<u><b>2,501,897</b></u>	<u><b>2,141,785</b></u>
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised capital		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up capital	16	419,638	381,489
Revenue reserve - Unappropriated profits		427,835	347,347
Surplus on revaluation of property, plant and equipment	17	183,580	121,233
		<u>1,031,053</u>	<u>850,069</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term finances - secured	18	84,343	139,511
Deferred government grant	19	1,783	2,152
Lease liabilities	20	68,710	107,703
Deferred tax liabilities - net	21	16,714	22,145
		<u>171,550</u>	<u>271,511</u>
<b>CURRENT LIABILITIES</b>			
Employees' retirement benefits	22	33,418	33,979
Trade and other payables	23	478,466	212,608
Unclaimed dividend		2,937	2,761
Short term borrowings - secured	24	606,640	595,040
Short term running finance - secured		202	-
Current maturity of non-current liabilities	25	177,631	175,817
		<u>1,299,294</u>	<u>1,020,205</u>
Contingencies and commitments	26		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,501,897</b></u>	<u><b>2,141,785</b></u>

The annexed notes 1 to 49 form an integral part of these financial statements.

*[Signature]*

*[Signature]*  
 Chief Financial  
 Officer

*[Signature]*  
 Chief Executive  
 Officer

*[Signature]*  
 Director

**ECOPACK LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees in thousand)	2021
Revenue from contracts with customers		<b>5,889,685</b>	3,631,597
Sales tax and discounts		<b>(864,473)</b>	(530,908)
Revenue from contracts with customers - net	27	<b>5,025,212</b>	3,100,689
Cost of sales	28	<b>(4,615,520)</b>	(2,799,114)
<b>GROSS PROFIT</b>		<b>409,692</b>	301,575
Selling expenses	29	<b>(27,727)</b>	(26,552)
Administrative and general expenses	30	<b>(112,448)</b>	(100,046)
Other expenses	31	<b>(10,153)</b>	(30,097)
Other income	32	<b>9,618</b>	13,636
Net impairment losses on financial assets	10.1	<b>(874)</b>	646
		<b>(141,584)</b>	(142,413)
<b>OPERATING PROFIT</b>		<b>268,108</b>	159,162
Finance cost	33	<b>(122,390)</b>	(92,659)
<b>PROFIT BEFORE TAXATION</b>		<b>145,718</b>	66,503
Taxation	34	<b>(45,539)</b>	(20,389)
<b>PROFIT FOR THE YEAR</b>		<b>100,179</b>	46,114
Earnings per share - basic and diluted (Rs)	35.1	<b>2.39</b>	1.10

The annexed notes 1 to 49 form an integral part of these financial statements.

*2022*

  
 Chief Financial  
 Officer

  
 Chief Executive  
 Officer

  
 Director



**ECOPACK LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees in thousand)	2021
<b>PROFIT FOR THE YEAR</b>		<b>100,179</b>	46,114
<b>OTHER COMPREHENSIVE INCOME / (LOSS):</b>			
Items that will not be reclassified to statement profit or loss:			
Surplus on revaluation of property, plant and equipment	17	89,141	-
Less: Deferred tax on surplus on revaluation of property, plant and equipment		(11,054)	-
		78,087	-
Remeasurement gain / (loss) on defined benefit plan	22.7	3,828	(949)
Less: Income tax on remeasurement gain / (loss) on defined benefit plan		(1,110)	275
		2,718	(674)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>180,984</b>	45,440

The annexed notes 1 to 49 form an integral part of these financial statements.

*Signature*

*Signature*  
 \_\_\_\_\_  
**Chief Financial Officer**

*Signature*  
 \_\_\_\_\_  
**Chief Executive Officer**

*Signature*  
 \_\_\_\_\_  
**Director**

**ECOPACK LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Share Capital	Unappropriated profits	Surplus on revaluation of property and plant	Total
----- Rupees in thousand -----				
<b>Balance as at July 1, 2020</b>	<b>381,489</b>	<b>284,558</b>	<b>138,582</b>	<b>804,629</b>
- Profit for the year	-	46,114	-	46,114
- Other comprehensive (loss)	-	(674)	-	(674)
Total comprehensive income for the year	-	45,440	-	45,440
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	-	15,485	(15,485)	-
Transfer of surplus upon disposal of property, plant and equipment - net of deferred taxation	-	1,864	(1,864)	-
<b>Balance as at June 30, 2021</b>	<b>381,489</b>	<b>347,347</b>	<b>121,233</b>	<b>850,069</b>
<b>Balance as at July 1, 2021</b>	<b>381,489</b>	<b>347,347</b>	<b>121,233</b>	<b>850,069</b>
- Profit for the year	-	100,179	-	100,179
- Other comprehensive income	-	2,718	78,087	80,805
Total comprehensive income for the year	-	102,897	78,087	180,984
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the year - net of deferred taxation	-	15,740	(15,740)	-
Transaction with owners in their capacity as owners				
- Issuance of bonus shares @ 10%	38,149	(38,149)	-	-
<b>Balance as at June 30, 2022</b>	<b>419,638</b>	<b>427,835</b>	<b>183,580</b>	<b>1,031,053</b>

The annexed notes 1 to 49 form an integral part of these financial statements.

*Signature*

*Signature*  
 \_\_\_\_\_  
 Chief Financial  
 Officer

*Signature*  
 \_\_\_\_\_  
 Chief Executive  
 Officer

*Signature*  
 \_\_\_\_\_  
 Director



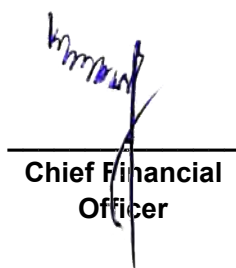
**ECOPACK LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees in thousand)	2021
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit for the year - before taxation		<b>145,718</b>	66,503
Adjustments for non-cash items:			
Depreciation and amortization	28 & 30	<b>133,378</b>	129,493
(Gain) / loss on disposal of property, plant and equipment	32	<b>(811)</b>	16,228
Provision for / (reversal of) slow moving stock in trade	28	<b>(2,124)</b>	-
Provision for Workers' Welfare Fund	31	<b>2,154</b>	716
Provision for Workers' Profit Participation Fund	31	<b>7,757</b>	3,676
Provision against pending litigations	31	-	9,341
Provision for cash settled share-based payment transaction		-	2,608
Advances written off	31	<b>104</b>	-
Write back of liabilities	32	<b>(1,667)</b>	-
Charge / (reversal) of expected credit losses on trade debts	10.1	<b>874</b>	(646)
Interest income on bank deposits short-term investments	32	<b>(446)</b>	
Provision for gratuity	22.6	<b>7,717</b>	11,525
Finance cost	33	<b>122,390</b>	92,659
		<b>415,044</b>	332,103
Changes in working capital			
(Increase) in stock in trade		<b>(27,909)</b>	(144,791)
(Increase) in trade debts		<b>(213,215)</b>	(12,841)
(Increase) in loans and advances		<b>(27,950)</b>	(8,338)
Decrease in deposits, prepayments and other receivables		<b>111</b>	2,659
Increase / (decrease) in trade and other payables		<b>257,614</b>	(40,790)
		<b>(11,349)</b>	(204,101)
		<b>403,695</b>	128,002
Finance cost paid - short term borrowings		<b>(90,373)</b>	(70,197)
Contributions to gratuity	22.3	<b>(4,450)</b>	(82,200)
Payment of cash settled share-based payment transaction		-	(3,787)
Income taxes paid	13	<b>(59,482)</b>	(6,614)
<b>Net cash generated from / (used) in operating activities</b>		<b>249,390</b>	(34,796)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		<b>(69,505)</b>	(86,682)
Short-term investments		-	(7,125)
Interest income on short-term investments		<b>286</b>	-
Sale proceeds from disposal of property, plant and equipment		<b>4,340</b>	15,691
<b>Net cash (used in) investing activities</b>		<b>(64,879)</b>	(78,116)

	Note	2022 (Rupees in thousand)	2021
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities	20	(112,163)	(61,946)
Proceeds from long-term finances		4,416	141,659
Repayment of long-term finances		(78,377)	(25,474)
Interest on unclaimed dividend		176	42
Short-term borrowings (repaid) / received		11,030	119,255
Finance cost paid on long-term finances and lease liabilities		(12,777)	(11,834)
<b>Net cash generated from / (used in) financing activities</b>		<b>(187,695)</b>	161,702
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(3,184)</b>	48,790
Cash and cash equivalents at beginning of the year		28,697	(20,093)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	36	<b>25,513</b>	28,697

The annexed notes 1 to 49 form an integral part of these financial statements.

2022

  
 Chief Financial  
 Officer

  
 Chief Executive  
 Officer

  
 Director



**ECOPACK LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 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 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 financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- i) International Financial Reporting Standards (IFRS Standards) 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**3. CHANGES IN ACCOUNTING STANDARDS, INTERPRETATIONS AND PRONOUNCEMENTS**

- 3.1 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

		Effective date (annual reporting periods beginning on or after)
IAS 1	Presentation of financial statements (Amendments)	January 1, 2023
IAS 8	Accounting policies, changes in accounting estimates and errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IAS 16	Property, Plant and Equipment (Amendments)	January 1, 2022
IAS 37	Provisions, Contingent Liabilities and Contingent Assets (Amendments)	January 1, 2022
IAS 41	Agriculture (Amendments)	January 1, 2022
IFRS 3	Business Combinations (Amendments)	January 1, 2022
IFRS 9	Financial Instruments (Amendments)	January 1, 2022
IFRS 16	Leases (Amendments)	January 1, 2022

The management anticipates that adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

- 3.2** Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 17 Insurance Contracts

- 3.3** The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 12 Service Concession Arrangements

## **4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **4.1 Basis of preparation**

These financial statements have been prepared under the historical cost convention except as otherwise stated in respective accounting policies notes.

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

### **4.2 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. These financial statements are presented in Pakistani Rupees, which is the company's functional currency. All financial information presented in Pakistani Rupees has been rounded to the nearest rupee unless otherwise stated.

### **4.3 Property, plant and equipment**

#### **4.3.1 Owned assets**

These, except for lease-hold land, factory building & roads on lease-hold land and plant & machinery are stated at cost less accumulated depreciation and impairment losses, if any. Lease-hold land is stated at revalued amount, where as factory building & roads on lease-hold land and plant & machinery are stated at revalued amount less accumulated depreciation and impairment losses, if any. Cost in relation to operating fixed assets comprises of acquisition and other directly attributable costs. Revaluation is carried out by independent expert. The Company carries out revaluations periodically, considering the change in circumstances and assumptions from latest revaluation. The latest revaluation is carried out at December 31, 2021. Capital work-in-progress and major spare parts and standby equipment are stated at cost.

The cost of replacing part of an item of owned assets is recognized in the carrying amount of the item if it is probable the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of the day-to-day servicing of owned assets are recognized in the statement of profit and loss as incurred.



Increase in the carrying amount arising on revaluation of freehold land, building and roads and plant & machinery are recognized in other comprehensive income and accumulated in shareholders' equity under the heading surplus on revaluation of property, plant and equipment. To the extent that the increase reverses a decrease previously recognized in statement of profit or loss account, the increase is first recognized in statement of profit or loss account. Decreases that reverse previous increases of the same asset are first recognized in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to statement of profit or loss.

Depreciation on property, plant and equipment is calculated using either straight line method or reducing balance method to allocate their cost over their estimated useful life at the rates specified in note 6.1. Depreciation for factory assets is charged to cost of sales while depreciation for other property, plant and equipment is charged to administrative and general expenses and selling and distribution expenses on actual usage basis. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management till disposal.

The gain or loss on disposal of an asset, calculated as difference between the sale proceed and carrying amount of the asset, is recognized as other income in statement of profit or loss for the year.

#### **4.3.2 Capital work-in-progress**

Capital work-in-progress is stated at cost less accumulated impairment losses, if any. It consists of expenditure incurred and advances made in respect of operating fixed assets, capital stores and intangibles assets in the course of their acquisition, construction and installation.

#### **4.3.3 Right-of-use assets**

The Company assesses whether a contract is or contains a lease at inception of the contract. If the company assesses contract contains a lease and meets the requirements of IFRS 16, the Company recognises right-of-use assets at the commencement date of the lease i.e. the date the underlying asset is available for use. Right-of-use assets are measured at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities except plant and machinery for which the Company has elected to use the revaluation model.

The cost comprising the following:

- the amount of the initial measurement of lease liabilities;
- any lease payments made at or before the commencement date less any lease incentives received;
- initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use assets are depreciated over the underlying assets' useful life.

#### **4.4 Impairment of non-financial assets**

Assets that have an indefinite useful life, for example land, are not subject to amortisation or depreciation and are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment at each statement of financial position date or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Reversals of the impairment losses are restricted to the extent that assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised. An impairment loss or reversal of impairment loss is recognised in the statement of profit or loss.

#### **4.5 Intangible assets**

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Company and that cost of such an asset can also be measured reliably.

Intangible assets are measured on initial recognition at cost, being the fair value of the consideration given. Following the initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company does not have an intangible asset with indefinite useful life. Intangible assets with finite useful lives are amortized over the period of their useful economic life. The Company's intangible assets with finite useful lives include software, which are amortized on a straight line basis over their period of useful economic life.

In respect of additions and disposals of intangible assets made during the year, amortization is charged to the statement of profit or loss when it is available for use till disposal.

Changes in the expected useful lives or the expected pattern of consumption of future economic benefits, embodied in the intangible assets, are accounted for by changing the life or amortization method, as appropriate, and treated as a change in accounting estimate. The recognized expense on intangible assets with finite lives is recognized in the statement of profit or loss in the expense category, consistent with the function of the intangible asset.

#### **4.6 Stores and spares**

Stores and spares are stated at cost less allowance for obsolete and slow moving items. Cost is determined using weighted average method. Items in transit are measured at invoice value plus other related charges paid thereon, up to the statement of financial position date.

#### **4.7 Stock-in-trade**

Raw materials and packing materials are valued at weighted average cost and finished goods are valued at lower of weighted average cost and net realizable value. Raw material and packing material in transit are measured at invoice value plus other charges paid thereon, up to the statement of financial position date.



Preforms and PET Bottles are stated at the lower of cost and net realisable value. Cost is determined using the average manufacturing cost method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads.

Net realisable value is the estimated selling price in ordinary course of business, less estimated cost of completion and costs that would necessarily be incurred to make the sale.

The Company reviews the carrying amount of stock in trade on regular basis and provision is made for obsolescence for items which are slow moving. A provision is made for excess of book value over the estimated net realizable value.

#### **4.8 Trade debts**

These are recognised and carried at the original invoice amounts, being the fair value, less an allowance for uncollectible amounts, if any. As explained in note 4.22 to these financial statements, the Company applies IFRS 9 simplified approach to measure the expected credit losses (ECL). The ECL model requires the Company to recognise an allowance for doubtful debt on all financial assets carried at amortized cost, as well as debt instruments classified as financial assets carried at fair value through other comprehensive income, since initial recognition, irrespective whether a loss event has occurred.

#### **4.9 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balances, short term running finance / bank overdrafts and short-term investments that are highly liquid, readily convertible to known amounts of cash with insignificant risk of changes in value and have original maturity period of three month or less from the date of acquisition. Bank overdrafts are shown in current liabilities on the statement of financial position.

#### **4.10 Borrowings and borrowing cost**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs are charged to statement of profit or loss.

#### **4.11 Employees' benefits**

The Company operates a provident fund and a funded gratuity scheme for its employees as per details below:

#### **4.11.1 Share based payment arrangements**

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

#### **4.11.2 Defined contribution plan**

The Company operates an approved contribution provident fund for its permanent employees. Equal monthly contributions are made, both by the Company and the employees to the fund at the specified rate of employees' basic salary. The Company's obligation for the contribution to the provident fund is recognized in the statement of profit or loss, as incurred. Investments out of provident fund have been made in accordance with the provisions of section 218 of Companies Act, 2017 and applicable rules.

#### **4.11.3 Defined benefit plan**

The Company operates an approved gratuity fund for its non-management employees, who have completed specified years of service with the Company. The liability recognized in respect of the gratuity fund is the present value of the defined benefit obligation under the scheme at the statement of financial position date.

The liability for gratuity is provided on the basis of amounts payable in respect of accumulated period of service of eligible employees on the basis of actuarial valuation, using Projected Unit Credit Method. The details of actuarial valuation carried out as at June 30, 2022 are given in note 22.

Calculation of gratuity requires assumptions to be made of future outcomes which mainly include increase in remuneration, expected long-term return on plan assets and the discount rate used convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

The actuarial gains and losses (remeasurement gains / losses) on employees' retirement benefit plans are recognized immediately in other comprehensive income.

Past service costs are recognized in the statement of profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognizes restructuring-related costs.

The Company recognizes the following changes in the defined benefit obligation in the statement of profit or loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Interest expense on net liability / (asset).



#### **4.12 Lease liabilities**

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions.

Lease payments in the measurement of the lease liability comprise the following:

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

The lease liabilities are measured at amortised cost using the effective interest method. These are remeasured when there is a change in future lease payments arising from a change in fixed lease payment, an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liabilities are remeasured in this way, the corresponding adjustment is made to the carrying amount of the right-to-use asset, or is recorded in profit and loss if the carrying amount of right-to-use asset has been reduced to zero.

The Company has opted not to recognize right of use assets for low value assets and short term leases of equipment and vehicles i.e. leases with a term of twelve (12) months or less. The payments associated with such leases are recognized in statement of profit or loss when incurred.

#### **4.13 Trade and other payables**

Liabilities for trade and other payables, including payable to related parties, are carried at cost, which is the fair value of the consideration to be paid in future for goods and/or services received, whether or not billed to the Company.

#### **4.14 Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate.

Contingent liability is disclosed when the Company has as possible obligation as a result of past event whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from the past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

#### **4.15 Taxation**

Income tax comprises of current and deferred tax. Income tax expense is recognised in the statement of profit or loss, as incurred.

##### **(i) Current**

Provision for current taxation is based on taxable income for the year determined in accordance with prevailing law for taxation on income at the applicable rates of taxation after taking into account tax credits and tax rebates, if any. Income tax expense is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

##### **(ii) Deferred**

Deferred income tax is recognised using the statement of financial position liability method in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts appearing in the financial statements. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that deductible temporary differences will reverse in the future and taxable income will be available against which the deductible temporary differences, unused tax losses and tax credit can be utilised.

Deferred tax asset and liability is measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted. Deferred tax is charged or credited to income except in the case of items credited or charged to equity in which case it is included in equity.

#### **4.16 Dividend and revenue reserve appropriation**

Dividend and movement in revenue reserves are recognised in the financial statements in the period in which these are approved.

#### **4.17 Foreign currency transactions and balances**

Foreign currency transactions are translated into Pakistani Rupees at the rates of exchange ruling on the date of the transaction. All monetary assets and liabilities denominated in foreign currencies are translated into functional currency using the exchange rate prevailing at the statement of financial position date. Exchange differences are dealt with through the statement of profit or loss.



#### **4.18 Revenue recognition**

The Company recognises revenue at point of time when control of product is transferred to customer. Control is considered to be transferred in case of local sales when the finished goods are directly uplifted by customer from the warehouse or when it is delivered by the Company at customer premises. In case of export sales, control is considered to be transferred when the finished goods are shipped to the customer.

Revenue is measured based on the consideration agreed with a customer and excludes sales tax / government levies and amounts collected on behalf of third parties. Revenue is presented net of discounts, rebates and returns.

No element of financing is deemed present as the sales are made with a credit term of upto 30 days, which is consistent with the market price.

#### **4.19 Operating segments**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions. The management has determined that the Company has two reportable segments i.e. injection and blowing

Management monitors the operating results of above mentioned segments separately for the purpose of making decisions about resources to be allocated and for assessing performance. Segment results and assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Finance cost, other income, other expenses and taxation are managed at the Company level. Unallocated assets include security deposits, prepayments & other receivables and bank balances whereas unallocated liabilities include loans from related parties, deferred taxation, accrued mark-up and short term borrowings.

#### **4.20 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

#### **4.21 Government grants**

Government grants are recognised at their fair value when there is a reasonable assurance that the grant will be received and all the conditions precedent thereto will be complied with.

Government grant includes any benefit earned on account of a government loan obtained at below-market rate of interest. The loan is recognised and measured in accordance with IFRS 9 "Financial Instruments". The benefit of the below-market rate of interest is measured as the difference between the initial carrying value of the loan determined in accordance with IFRS 9 and the proceeds received.

## **4.22 Financial instruments**

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All the financial assets are derecognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on de-recognition of the financial assets and financial liabilities are taken to the statement of profit or loss.

### **(a) Financial assets**

#### **Classification**

The Company classifies its financial assets in the following measurement categories:

- i) amortized cost where the effective interest rate method will apply;
- ii) fair value through profit or loss;
- iii) fair value through other comprehensive income.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in statement of profit or loss or other comprehensive income. For investment in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Company reclassifies debt investments when and only when its business model for managing those assets changes.

#### **Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commit to purchase or sell the asset. Further financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

#### **Measurement**

At initial recognition, the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in statement of profit or loss.

#### **Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company can classifies its debt instruments:

**(i) Amortised cost**

Assets that are held for collection of contractual cash flows where the contractual terms of the financial assets give rise on specified dates to cash flows that represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in statement of profit or loss and presented in other income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss account.

**(ii) Fair value through other comprehensive income (FVTOCI)**

Debt securities, where the contractual cashflows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cashflows and selling financial assets are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit or loss account. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit or loss and recognised in other income. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses are presented as separate line item in the statement of profit or loss account.

**(iii) Fair value through profit and loss (FVTPL)**

Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in the statement of profit or loss and presented in finance income/cost in the period in which it arises.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to statement of profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in statement of profit or loss account as other income when the Company's right to receive payments is established.

**Impairment of financial assets**

The Company assess on a historical as well as forward-looking basis, the expected credit loss (ECL) as associated with its debt instruments, trade debts, short term investment and deposits and other receivables carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Following are financial instruments that are subject to the ECL model:

- Trade debts
- Loans and advances
- Trade deposits and other receivables
- Short term investments
- Cash and bank balances



**(i) General approach for loans and advances, trade deposits and other receivables and cash and bank balances.**

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

**Significant increase in credit risk**

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant increase in credit risk on other financial instruments of the same debtor; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

**Definition of default**

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

Irrespective of the above analysis, in case of trade debts, the Company considers that default has occurred when a debt is more than 90 days past due, unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### **Credit - impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

### **(ii) Simplified approach for trade debts**

The Company recognises life time ECL on trade debts, using the simplified approach. The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Trade debts with individually significant balance are separately assessed for ECL measurement. All other trade debts are grouped and assessed collectively based on shared credit risk characteristics and the days past due. The expected credit losses on these financial assets are estimated using a provision matrix approach based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

### **Recognition of loss allowance**

The Company recognizes an impairment gain or loss in the statement of profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

### **Write-off**

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.

The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

## **(b) Financial Liabilities**

Classification, initial recognition and subsequent measurement

Financial liabilities are classified in the following categories:

- fair value through profit or loss; and
- other financial liabilities.

The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in case of other financial liabilities also include directly attributable transaction costs. The subsequent measurement of financial liabilities depends on their classification, as follows:

### **(i) Fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held-for-trading and financial liabilities designated upon initial recognition as being at fair value through profit or loss. The Company has not designated any financial liability upon recognition as being at fair value through profit or loss.

### **(ii) Other financial liabilities**

After initial recognition, other financial liabilities which are interest bearing subsequently measured at amortized cost, using the effective interest rate method and are measured at present value. Gain and losses are recognized in profit or loss for the year, when the liabilities are derecognized as well as through effective interest rate amortisation process.

### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when and only when the Company's obligations are discharged, cancelled or they expire.



## **Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### **4.23 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market is accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- |         |   |   |
|---------|---|---|
| Level 1 | - | Quoted (unadjusted) market prices in active markets for identical assets or liabilities;  |
| Level 2 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and |
| Level 3 | - | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable                           |

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Board determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement. External valuers may be involved for valuation of significant assets and significant liabilities. For the purpose of fair value disclosures, the Company determines classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

#### **4.24 Other Income**

The Company recognises following in other income:

- (i) Income on bank deposits and short-term investments using the effective yield method.
- (ii) Dividend income is recognized when the right to receive dividend is established.
- (iii) Income from other non-recurring goods and services is recognised when the control is transferred and performance obligations are fulfilled.

#### **5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of financial statements in conformity with the approved accounting and reporting standards requires the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- (i) Estimated useful life of operating fixed assets - note 4.3.1

The Company annually reviews appropriateness of the method of depreciation, useful life and residual value used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of asset is made for possible impairment on an annual basis. Any change in these estimates in the future, might affect the carrying amount of the respective item of property and equipment, with a corresponding effect on the depreciation and impairment.

- (ii) Surplus on revaluation of property, plant and equipment - note 4.3.1

The Company carries out revaluations, considering the change in circumstances and assumptions from latest revaluation. The fair value of the Company's free hold land, buildings & roads and plant & machinery is assessed by management based on independent valuation performed by an external property valuation expert as at year end. For valuation of free hold land, buildings & roads and plant & machinery, the current market price or depreciated replacement cost method is used, whereby, current cost of construction of similar free hold land, buildings & roads and plant & machinery 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.

- (iii) Provision for stores and spares - note 4.6

For items which are slow-moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value on a regular basis. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

- (iv) Write down of stock in trade to net realizable value - note 4.7

Net realisable value is determined on the basis of estimated selling price of the product in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value. Provision is made in the unconsolidated financial statements for obsolete and slow moving stock-in-trade based on management estimate.

(v) Estimation of impairment loss allowance - note 4.8

The Company reviews the Expected Credit Loss (ECL) model which is based on the historical credit loss experience over the life of the trade receivables and adjusted, if required. The ECL model is reviewed on a quarterly basis.

(vi) Provision for employees' defined benefit plans - note 4.11

Defined benefit plans are provided for all employees of the Company. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually.

(vii) Provision for current and deferred tax - note 4.15

In making the estimate for tax payable, the Company takes into account applicable tax laws, the decisions taken by the appellate authorities on certain issues in the past and professional advice of tax consultant of the Company.

(viii) Provisions and contingencies - notes 4.14 and 26

The management exercises judgement in measuring and recognizing provisions and exposures to contingent liabilities related to pending litigations or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement.

(ix) Estimation of lease term and incremental borrowing rate for lease liabilities and right of use assets - notes 4.3 and 4.12.

IFRS 16 requires the Company to assess the lease term as the non-cancellable lease term in line with the lease contract together with the period for which the Company has extension options which the Company is reasonably certain to exercise and the periods for which the Company has termination options for which the Company is not reasonably certain to exercise those termination options.

A significant portion of the lease contracts included within Company's lease portfolio includes lease contracts which are extendable through mutual agreement between the Company and the lessor or lease contracts which are cancellable by the Company on immediately or on short notice. In assessing the lease term for the adoption of IFRS 16, the Company concluded that these cancellable future lease periods should be included within the lease term in determining the lease liability upon initial recognition. The reasonably certain period used to determine the lease term is based on facts and circumstances related to the underlying leased asset and lease contracts and after consideration of business plan of the Company which incorporates economic, potential demand of customers and technological changes.

	Note	2022 (Rupees in thousand)	2021
<b>6. PROPERTY, PLANT AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>1,385,930</b>	1,312,120
Capital work-in-progress	6.7	<b>12,890</b>	440
Capital machines' spares		<b>25,271</b>	24,323
		<b><u>1,424,091</u></b>	<b><u>1,336,883</u></b>



## 6.1 Operating fixed assets

	Owned							Right-of-use assets		
	Lease-hold land	Factory building and roads on lease-hold land	Plant and machinery	Factory equipment	Office equipment	Furniture and fixtures	Vehicles	Plant and machinery	Vehicles	Total
	----- Rupees in thousand -----									
As at July 1, 2020										
Cost / revalued amount	24,700	137,734	1,591,748	472,715	30,777	4,790	11,010	412,082	33,837	2,719,393
Accumulated depreciation	-	(49,874)	(816,135)	(367,543)	(18,484)	(3,565)	(7,813)	(59,305)	(12,596)	(1,335,315)
Net book value	<u>24,700</u>	<u>87,860</u>	<u>775,613</u>	<u>105,172</u>	<u>12,293</u>	<u>1,225</u>	<u>3,197</u>	<u>352,777</u>	<u>21,241</u>	<u>1,384,078</u>
Year ended June 30, 2021										
Opening net book value	24,700	87,860	775,613	105,172	12,293	1,225	3,197	352,777	21,241	1,384,078
Additions	-	-	60,249	21,414	3,724	-	156	-	3,097	88,641
Disposals										
- Cost	-	-	(131,553)	-	(85)	-	-	-	-	(131,638)
- Accumulated depreciation	-	-	99,656	-	63	-	-	-	-	99,719
	-	-	(31,897)	-	(22)	-	-	-	-	(31,920)
Depreciation charge	-	(4,407)	(66,429)	(24,020)	(2,156)	(123)	(659)	(26,372)	(4,513)	(128,679)
Closing net book value	<u>24,700</u>	<u>83,453</u>	<u>737,536</u>	<u>102,566</u>	<u>13,839</u>	<u>1,102</u>	<u>2,694</u>	<u>326,405</u>	<u>19,825</u>	<u>1,312,120</u>
As at July 1, 2021										
Cost / revalued amount	24,700	137,734	1,520,444	494,129	34,416	4,790	11,166	412,082	36,934	2,676,395
Accumulated depreciation	-	(54,281)	(782,908)	(391,563)	(20,577)	(3,688)	(8,472)	(85,677)	(17,109)	(1,364,275)
Net book value	<u>24,700</u>	<u>83,453</u>	<u>737,536</u>	<u>102,566</u>	<u>13,839</u>	<u>1,102</u>	<u>2,694</u>	<u>326,405</u>	<u>19,825</u>	<u>1,312,120</u>
Year ended June 30, 2022										
Opening net book value	24,700	83,453	737,536	102,566	13,839	1,102	2,694	326,405	19,825	1,312,120
Additions	-	929	39,500	26,126	3,137	-	53	37,688	13,329	120,762
Revaluation	51,025	15,869	22,247	-	-	-	-	-	-	89,141
Disposals										
- Cost	-	-	(1,443)	-	(869)	-	-	-	(7,181)	(9,493)
- Accumulated depreciation	-	-	200	-	750	-	-	-	5,014	5,964
	-	-	(1,243)	-	(119)	-	-	-	(2,167)	(3,529)
Transfers from right-of-use assets to owned										
- Cost	-	-	-	-	-	-	1,510	-	(1,510)	-
- Accumulated Depreciation	-	-	-	-	-	-	(849)	-	849	-
	-	-	-	-	-	-	661	-	(661)	-
Depreciation charge	-	(4,667)	(67,779)	(24,946)	(2,189)	(131)	(578)	(27,629)	(4,645)	(132,564)
Closing net book value	<u>75,725</u>	<u>95,584</u>	<u>730,261</u>	<u>103,746</u>	<u>14,668</u>	<u>971</u>	<u>2,830</u>	<u>336,464</u>	<u>25,681</u>	<u>1,385,930</u>
As at July 1, 2022										
Cost / revalued amount	75,725	154,532	1,580,748	520,255	36,684	4,790	12,729	449,770	41,572	2,876,805
Accumulated depreciation	-	(58,948)	(850,487)	(416,509)	(22,015)	(3,819)	(9,899)	(113,306)	(15,891)	(1,490,875)
Net book value	<u>75,725</u>	<u>95,584</u>	<u>730,261</u>	<u>103,746</u>	<u>14,669</u>	<u>971</u>	<u>2,830</u>	<u>336,464</u>	<u>25,681</u>	<u>1,385,930</u>
Annual rate of depreciation (%)	-	5% - 10%	5% - 20%	5% - 40%	10% - 33%	10%	20%	8%	20%	

**6.2** All the disposals were made in accordance with the Company's policy. None of any operating fixed assets disposed off during the year had an aggregate net book value greater than Rs 5 million.

**6.3** Had the revalued operating fixed assets of the Company been recognised under the cost model, the carrying values of these assets would have been as follows:

	<b>2022</b>	2021
	(Rupees in thousand)	
Leasehold land	<b>2,995</b>	2,995
Factory building and roads on leasehold land	<b>63,573</b>	52,446
Plant and machinery- owned	<b>651,430</b>	629,586
	<b>717,998</b>	685,027

**6.4** Forced sales value of the fixed assets based on last valuation conducted at December 31, 2021 and June 30, 2020 are as follows:

	December 31, 2021	June 30, 2020
	(Rupees in thousand)	
Leasehold land	<b>60,580</b>	19,760
Factory building and roads on leasehold land	<b>74,552</b>	70,597
Plant and machinery- owned	<b>593,801</b>	640,885
	<b>728,932</b>	731,242

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

Location	Usage of immovable property	Total Area	Covered Area
Plot - 112,113, Phase V, Hattar Industrial Estate, Hattar, KPK.	Registered office and factory	(in sq. ft.) 102,507	52,262

Note  
(Rupees in thousand)

**6.6** Depreciation for the year has been allocated as follows on the basis of actual usage:

Cost of sales	28	<b>122,794</b>	119,448
Administrative and general expenses	30	<b>9,770</b>	9,231
		<b>132,564</b>	128,679

**6.7 Capital work-in-progress:**

	Plant and machinery	Vehicles - leased	Total
	----- Rupees in thousand -----		
As at June 30, 2020	935	-	935
Additions during the year	800	2,568	3,368
Capitalized during the year	(1,295)	(2,568)	(3,863)
	<b>440</b>	<b>-</b>	<b>440</b>
As at June 30, 2021	<b>440</b>	<b>-</b>	<b>440</b>
Additions during the year	<b>844</b>	<b>25,150</b>	<b>25,994</b>
Capitalized during the year	<b>(1,195)</b>	<b>(12,349)</b>	<b>(13,544)</b>
	<b>89</b>	<b>12,801</b>	<b>12,890</b>

			2022 (Rupees in thousand)	2021
	Note			
<b>7. INTANGIBLE ASSETS</b>				
<b>Softwares</b>				
<b>Cost</b>			<b>9,321</b>	9,321
<b>Accumulated amortization</b>				
- Opening balance			(4,030)	(3,216)
- Amortization charge for the year	7.1		(814)	(814)
			(4,844)	(4,030)
			<b>4,477</b>	<b>5,291</b>
Rate of amortization (per annum)			<b>10%</b>	10%
7.1	Amortization charge has been allocated to administrative and general expenses.			
			2022	2021
	Note		(Rupees in thousand)	
<b>8. STORES, SPARES AND LOOSE TOOLS</b>				
Stores and spares			<b>118,137</b>	100,231
Loose tools			<b>2,806</b>	2,544
			<b>120,943</b>	102,775
Provision against slow moving stores and spares			<b>(10,415)</b>	(10,415)
Capital spares transferred to property, plant and equipment			<b>(25,701)</b>	(24,753)
			<b>84,827</b>	<b>67,607</b>
<b>9. STOCK-IN-TRADE</b>				
Raw materials			<b>121,426</b>	106,102
Packing materials			<b>16,379</b>	23,471
Work in process - preforms			<b>117,973</b>	203,474
Finished goods - bottles			<b>128,815</b>	43,929
			<b>384,593</b>	376,976
Provision for obsolescence	9.1		-	(2,194)
	9.2		<b>384,593</b>	<b>374,782</b>
9.1	Movement in provision for obsolescence:			
Balance at the beginning of the year			<b>2,194</b>	1,172
(Reversal) / charge for the year			<b>(2,194)</b>	1,022
			<b>-</b>	<b>2,194</b>
9.2	Certain short-term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.			
			2022	2021
	Note		(Rupees in thousand)	
<b>10. TRADE DEBTS</b>				
Trade debts - unsecured			<b>445,831</b>	232,616
Expected credit loss allowance	10.1		<b>(5,309)</b>	(4,435)
			<b>440,522</b>	<b>228,181</b>



	Note	2022 (Rupees in thousand)	2021
<b>10.1</b>	<b>Movement in expected credit loss allowance:</b>		
	Balance at the beginning of the year	4,435	5,081
	Expected credit losses for the year	874	(646)
		<u>5,309</u>	<u>4,435</u>

## 11. LOANS AND ADVANCES

Suppliers and contractors - unsecured		60,701	32,195
Employees:			
Personal - secured	11.1 & 11.2	14,627	4,199
Operational - unsecured		4,883	3,127
		<u>80,211</u>	<u>39,521</u>

11.1 These include interest free advances of Rs 2,455 thousand (2021: Rs 1,945 thousand), given in accordance with the Company's policy. These are secured against termination benefit of employees and have not been discounted, as the impact of discounting is considered to be insignificant.

11.2 These include receivable from key management personnel against car financing amounting to Rs 12,172 thousand (2021: Rs 2,254 thousand).

		2022	2021
	Note	(Rupees in thousand)	
12.	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
	Deposits	75	200
	Prepayments	1,382	2,139
	Other receivables	3,154	2,383
		12.1	
		4,611	4,722

12.1 This includes LC margin and interest accrued on Term Deposit Receipt amounting to Rs 2,805 thousand (2021: Rs 735 thousand) and Rs 269 thousand (2021: Rs 285 thousand), respectively.

		2022 (Rupees in thousand)	2021
<b>13.</b>	<b>ADVANCE TAX - NET</b>		
	Balance at the beginning of the year	36,767	77,433
	Advance tax paid during the year	59,482	6,614
	Tax charge for the year	(63,133)	(47,280)
	Advance tax as at June 30,2022	<u>33,116</u>	<u>36,767</u>

## 14. SHORT-TERM INVESTMENTS

This represent Term Deposit Receipt (TDR) placed with commercial bank, carrying mark-up at rate of 6.35% (2021: 6.10%) per annum and maturing on November 2, 2022. This has been held as margin against guarantee issued by the bank in favor of Sui Northern Gas Pipelines Limited as mentioned in note 26.2.1.

15. CASH AND BANK BALANCES	Note	2022	2021
		(Rupees in thousand)	
At banks			
- in current accounts		22,678	25,837
- in saving accounts	15.1	2,937	2,760
		25,615	28,597
Cash in hand		100	100
		25,715	28,697

15.1 This represent dividend account balance, maintained separately and carries mark-up at the rate of 7.52% (2021: 5.36%) per annum.

## 16. SHARE CAPITAL

### 16.1 Authorized share capital

This represents 50,000,000 (2021: 50,000,000) ordinary shares of Rs 10 each.

### 16.2 Issued, subscribed and paid-up capital

2022	2021		2022	2021
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
31,701,177	27,886,283	Ordinary shares of Rs 10 each issued as fully paid bonus shares	317,011	278,862
41,963,841	38,148,947		419,638	381,489

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

16.4 Ordinary shares have a par value of Rs 10 each. They entitle the holder to participate in dividends, as declared from time to time, and to share in the proceedings of the winding up of the Company in the proportion to the number of and amounts paid on the shares held. Further, the holder is entitled to one vote per share at the general meetings of the Company.

## 17. 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 as at December 31, 2021. For valuation of these items, the current market price or depreciated replacement cost method is used, whereby, current purchase / construction cost of similar items in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	Note	2022	2021
		(Rupees in thousand)	
Balance at the beginning of the year		160,663	185,098
Add: surplus on revaluation carried-out during the year		89,141	-
Transfer of surplus to unappropriated profit on disposal of operating fixed assets during the year		-	(2,625)
Incremental depreciation transferred to unappropriated profits		(22,169)	(21,810)
		227,635	160,663

		2022 (Rupees in thousand)	2021
Less: deferred tax on			
- Balance at beginning of the year		(39,430)	(46,516)
- surplus for the year		(11,054)	-
- disposal of operating fixed assets		-	761
- incremental depreciation charged during the year		6,429	6,325
		(44,055)	(39,430)
Balance at the end of the year	17.1	<u>183,580</u>	<u>121,233</u>

#### 17.1 Restriction on distribution

The surplus on revaluation of property, plant and equipment is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

		2022 (Rupees in thousand)	2021
<b>18 LONG TERM FINANCES - SECURED</b>			
<b>Loans from banking companies - secured</b>			
Askari Bank Limited	18.1 & 18.6	19,247	44,093
Bank Al-Habib Limited - I	18.2	52,000	68,000
Bank Al-Habib Limited - II	18.3 & 18.6	35,541	34,220
PAIR Investment Company Limited - I	18.4	26,987	32,555
JS Bank Limited	18.5 & 18.6	13,264	39,206
		<u>147,039</u>	<u>218,074</u>
Less: current portion of long term finances		(62,696)	(78,563)
Amount due after June 30, 2022		<u>84,343</u>	<u>139,511</u>

- 18.1** This represents subsidized rate Term Finance obtained under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to combat effect of COVID-19. Tenor of the loan is 2 years and 6 months (inclusive of 6 month grace period started from July 2020). The loan is repayable in 8 equal quarterly installments starting from January 2021. It carries mark-up at SBP Rate plus 2% 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.
- 18.2** 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.
- 18.3** 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 starting from March 1, 2022. It carries mark-up at 5% per annum payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs 171,000 thousand over imported / purchased machinery.



- 18.4** 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.
- 18.5** This represents subsidized rate Term Finance obtained under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to combat effect of COVID-19. Tenor of the loan is 2 years and 9 months (inclusive of 6 month grace period started from July 2020). The loan is repayable in 8 equal quarterly installments starting from January 2021. It carries mark-up at SBP Rate plus 3% per annum payable quarterly. The loan is secured by pari passu charge over land, building, plant and machinery of the Company amounting Rs 84,200 thousand.
- 18.6** 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.
- 18.7** In case of various loan arrangements, the concerned 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.

	Note	2022 (Rupees in thousand)	2021
<b>19 DEFERRED GOVERNMENT GRANT</b>			
Balance at the beginning of the year		6,029	3,123
Loan proceeds received		8,142	107,768
Present value of future cash flows discounted at market interest rate		(6,963)	(99,324)
Amount recognised as deferred grant		1,179	8,444
Amortisation of deferred grant		(4,105)	(5,538)
		3,103	6,029
Less: Current portion shown under current liabilities	25	(1,320)	(3,877)
		1,783	2,152

- 19.1** This represent deferred government grant in respect of term finance facility obtained under SBP Salary Refinance Scheme. During the year 2020, the Company had entered into an arrangement with Askari Bank Limited and JS Bank Limited for obtaining term finance facility under State Bank of Pakistan (SBP) Salary Refinance Scheme to pay three month salaries & wages to permanent, contractual and temporary employees as disclosed in note 18 to the financial statements.

	Note	2022 (Rupees in thousand)	2021
<b>20 LEASE LIABILITIES</b>			
Balance at the beginning of the year		197,417	235,880
Additions during the year		74,673	2,758
Unwinding of interest on lease liabilities		17,610	20,725
Payments made during the year		(112,163)	(61,946)
		177,537	197,417
Less: Current portion shown under current liabilities	25	(108,827)	(89,714)
		68,710	107,703

- 20.1** The Company's leased assets comprise of plant and machinery and vehicles. During the year 2018, the Company obtained leased plant and machinery from Habib Bank Limited and Bank of Khyber. Leased vehicles have been obtained during different time periods from year 2016 to year 2022. Plant and machinery and vehicles both have lease term of five years and lease for solar is of seven years. Under the terms of lease arrangement, the Company has an option to acquire leased assets at the end of respective lease term and intends to exercise the option. There are no restrictions imposed on the Company under the terms of leases. The interest rate used for the calculation of the present value of minimum lease payments, are 4.25% to 16.91% (2021: 8.34% to 10.06%) per annum.

	Note	2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>20.2</b> Interest expense on leased liabilities	33	<b>17,610</b>	20,725
Expense related to short term leases		<b>25,232</b>	<b>18,873</b>

		2022 (Rupees in thousand)	2021 (Rupees in thousand)
<b>21</b>	<b>DEFERRED TAX LIABILITIES - NET</b>		
	<b>Taxable temporary differences arising in respect of:</b>		
	Accelerated depreciation and amortization	<b>121,003</b>	122,039
	Revaluation on surplus of property, plant and equipment	<b>56,910</b>	39,429
	Right-of-use-assets	<b>57,227</b>	42,654
		<b>235,140</b>	204,122
	<b>Deductible temporary differences arising in respect of:</b>		
	Staff retirement benefit - gratuity	<b>(10,359)</b>	(9,854)
	Carried forward tax losses	<b>(20,971)</b>	(36,499)
	Minimum tax	<b>(178,593)</b>	(127,848)
	Provisions	<b>(8,503)</b>	(7,776)
		<b>(218,426)</b>	(181,977)
		<b>16,714</b>	22,145

**21.1 Movement of deferred tax is as follows:**

Balance at the beginning of the year	<b>22,145</b>	49,311
Deferred tax recognized in statement of profit or loss	<b>(17,594)</b>	(26,891)
Recognized in other comprehensive income	<b>12,164</b>	(275)
	<b>16,715</b>	22,145

- 21.2** 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. It is probable that the Company will be able to achieve the profits projected in the business plan.

	Note	2022 (Rupees in thousand)	2021	
<b>22 EMPLOYEES' RETIREMENT BENEFITS</b>				
Staff retirement gratuity - net	22.1	<u>33,418</u>	<u>33,979</u>	
<b>22.1 Reconciliation of the liability recognized in the statement of financial position</b>				
Present value of defined benefit obligation		<b>33,910</b>	35,116	
Fair value of plan assets	22.3	<b>(492)</b>	(1,137)	
Liability at the end of the year		<u><b>33,418</b></u>	<u>33,979</u>	
<b>22.2 Movement in the net liability recognised in the statement of financial position</b>				
Balance at the beginning of the year		<b>33,979</b>	103,705	
Expense recognized in statement of profit or loss		<b>7,717</b>	11,525	
Contributions to fund		<b>(4,450)</b>	(82,200)	
Remeasurement (gain) / loss in other comprehensive income		<b>(3,828)</b>	949	
		<u><b>33,418</b></u>	<u>33,979</u>	
<b>22.3 Movement in the fair value of plan assets</b>				
Balance at the beginning of the year		<b>1,137</b>	30,115	
Contributions during the year		<b>4,450</b>	82,200	
Return on plan assets		<b>84</b>	3,849	
Benefits paid		<b>(5,046)</b>	(113,092)	
Actuarial loss on plan assets		<b>(133)</b>	(1,935)	
		<u><b>492</b></u>	<u>1,137</u>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	--- Percentage ---		(Rupees in thousand)	
<b>22.4 Fair value of plan assets</b>				
Saving accounts	<b>36.79%</b>	100.00%	<b>181</b>	1,137
Investments	<b>63.21%</b>	0.00%	<b>311</b>	-
	<u><b>100.00%</b></u>	<u>100.00%</u>	<u><b>492</b></u>	<u>1,137</u>
<b>22.5 Movement in the present value of defined benefit obligation:</b>				
Opening balance of defined benefit obligation			<b>35,116</b>	133,820
Current service cost			<b>4,542</b>	7,613
Interest cost on defined benefit obligation			<b>3,259</b>	7,234
Losses on plan settlements			-	527
Benefits paid			<b>(5,046)</b>	(2,803)
Settlement benefits paid			-	(110,289)
Remeasurement (gain) / loss charged in other comprehensive income			<b>(3,961)</b>	(986)
			<u><b>33,910</b></u>	<u>35,116</u>



	Note	2022 (Rupees in thousand)	2021
<b>22.6</b>	<b>Expense recognized in statement of profit or loss account is as follows:</b>		
Current service cost		<b>4,542</b>	7,613
Interest cost on defined benefit obligation		<b>3,259</b>	7,234
Losses on plan settlements		-	527
Return on plan assets		<b>(84)</b>	(3,849)
		<b>7,717</b>	11,525

**22.7 Remeasurement gain / (loss) in other comprehensive income are as follows:**

Actuarial gains from changes in financial assumptions	<b>(2,049)</b>	487
Experience adjustments	<b>(1,912)</b>	(1,473)
	<b>(3,961)</b>	(986)
Actuarial loss on plan assets	<b>133</b>	1,935
	<b>(3,828)</b>	949

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

	Present value of defined benefit obligation	Experience adjustments on obligations
	(Rupees in thousand)	
June 2022	33,910	(3,961)
June 2021	35,116	(986)
June 2020	133,820	(17,256)
June 2019	125,695	429
June 2018	106,325	192

	2022 (Rupees in thousand)	2021
<b>22.9</b>	<b>Year End Sensitivity Analysis (± 100 bps) on Defined Benefit Obligation</b>	
Discount Rate + 100 bps	<b>31,306</b>	32,359
Discount Rate - 100 bps	<b>36,922</b>	38,328
Salary Increase + 100 bps	<b>36,997</b>	38,389
Salary Increase - 100 bps	<b>31,192</b>	32,251

The average duration of the defined benefit obligation is 8 years.

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

	<b>2022</b>	2021
Discount rate per annum (%)	<b>13.25%</b>	10%
Expected rate of increase in salary level per annum (%)	<b>13.25%</b>	10%
Average expected remaining working life time of employees	<b>8 years</b>	8.5 years

**22.11** The plan is a defined benefit plan invested through approved trust fund. The fund is governed under Trusts Act, Trust Deed and Rules of Fund, Companies Act, 2017, the Income Tax Ordinance, 2001 and the Income Tax Rules, 2002. The trustees of the fund are appointed by the Company and are responsible for plan administration and investment. All trustees are employees of the Company.

**22.12** The defined plan exposes the company to the following risks:

**Final salary risk:**

The risk that the final salary at the time of cessation of service is greater than what the company has assumed. Since the benefit is calculated on the final salary, the benefit amount would also increase proportionately.

**Withdrawal risks:**

The risk of higher or lower withdrawal experience than assumed. The final effect could go either way depending on the beneficiaries' service / age distribution and the benefit.

**Mortality risks:**

The risk that the actual mortality experience is different. Similar to the withdrawal risk, the effect depends on the beneficiaries' service / age distribution and the benefit.

**Discount rate fluctuation:**

The plan liabilities are calculated using a discount rate set with reference to market yields on government bonds. A decrease in market yields on government bonds. A decrease in market yields on government bonds will increase plan liabilities, although this will be partially offset by an increase in the value of the current plans bond holdings.

**Investment risks:**

The risk of the investment underperforming and not being sufficient to meet the liabilities. The risk is mitigated by closely monitoring the performance of investment.

**Risk of insufficiency of assets:**

This is managed by making regular contribution to the fund as advised by the actuary.

**2022**                      2021  
(Rupees in thousand)

**23      TRADE AND OTHER PAYABLES**

Trade creditors	<b>280,304</b>	130,358
Accrued and other liabilities	<b>97,046</b>	58,319
Payable to provident fund	<b>1,527</b>	1,506
Advances from customers	<b>36,994</b>	5,890
Sales tax payable	<b>48,671</b>	9,801
Income tax deducted at source	<b>2,713</b>	2,342
Workers' profit participation fund payable	<b>8,341</b>	3,676
Workers' welfare fund payable	<b>2,870</b>	716
	<b>478,466</b>	212,608

<b>23.1</b>	Revenue recognised from advance from customers during the year	<b>5,890</b>	4,711
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Facility  
Amount                      **2022**                      2021  
(Rupees in thousand)

**24      SHORT TERM BORROWINGS - SECURED**

From banking companies - Secured			
- Inland bills purchased - IBPs	150,000	<b>139,355</b>	-
- Finance against trust receipt	710,000	<b>457,062</b>	485,322
	860,000	<b>596,417</b>	485,322
Others - NBFC			
- Short term loan	125,000	-	100,000
- Accrued mark-up on short term borrowings	-	<b>10,223</b>	9,718
	985,000	<b>606,640</b>	595,040

**24.1** The Company has obtained short term financing facilities from various commercial banks and Non-Banking Finance Company (NBFC) to meet its working capital requirements, carrying mark-up ranging from 3 months KIBOR plus 1.25% to 1.5% (2021: 3 Months KIBOR plus 1.25% to 1.5%) per annum.

**24.2** These facilities are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company and personal guarantee of sponsor Director of the Company.

**2022**                      2021  
(Rupees in thousand)

**25.      CURRENT MATURITY OF NON-CURRENT LIABILITIES**

	Note		
Current portion of long term loans	18	<b>62,696</b>	78,563
Current portion of lease liabilities	20	<b>108,827</b>	89,714
Current portion of deferred government grant	19	<b>1,320</b>	3,877
Accrued mark-up on long term loans		<b>2,855</b>	1,932
Accrued mark-up on lease liabilities		<b>1,933</b>	1,731
		<b>177,631</b>	175,817



## 26. CONTINGENCIES AND COMMITMENTS

### 26.1 Contingencies

**26.1.1** In respect of tax year 2017, Deputy Commissioner Inland Revenue (DCIR) passed an order on May 20, 2020, against the Company regarding inadmissibility of sales tax input amounting to Rs 35,995 thousand. Commissioner Inland Revenue (Appeals) [CIR(A)] upheld the order of DCIR. The Company has filed an appeal against the decision of CIR(A) before Appellate Tribunal, which is pending for adjudication.

**26.1.2** On June 17, 2020, Additional Collector (Withholding) Khyber-Pakhtunkhwa Regulatory Authority (KPRA) passed an order against the Company regarding alleged non withholding of sales tax for an amount of Rs 18,902 thousand. Against the Company's appeals, Collector (Appeals), KPRA' and 'Appellate Tribunal for Sales Tax on Services, KPK' upheld the order of Additional Collector. The Company has filed a reference before Peshawar High Court against the Order of Appellate Tribunal, which is pending for adjudication.

The management and its advisors are confident that the cases will be decided in its favour as the demand is without legal substance. Accordingly, no provision has been recognized in these financial statements in this respect.

### 26.2 Commitments

**26.2.1** Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 63,230 thousand (2021: Rs 63,230 thousand) in favor of the Company's fuel and utility

**2022**                      2021  
(Rupees in thousand)

## 27. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

### Sales

- PET Preforms	<b>2,933,671</b>	2,025,987
- PET Bottles	<b>2,956,014</b>	1,605,610
	<b>5,889,685</b>	3,631,597

### Less: Sales tax

- PET Preforms	<b>(427,990)</b>	(295,457)
- PET Bottles	<b>(430,293)</b>	(233,351)
	<b>(858,283)</b>	(528,808)

### - Sales returns and discounts

Total Sales tax and discounts	<b>(864,473)</b>	(530,908)
	<b>5,025,212</b>	3,100,689

	Note	2022 (Rupees in thousand)	2021
<b>28. COST OF SALES</b>			
Raw material consumed		<b>3,461,018</b>	2,022,594
Packing material consumed		<b>160,100</b>	105,171
Stores, spares and loose tools consumed		<b>50,598</b>	54,570
Salaries, wages and other benefits	28.1	<b>254,249</b>	195,595
Utilities		<b>408,138</b>	287,608
Travelling and conveyance		<b>9,959</b>	9,920
Vehicle running and maintenance		<b>8,928</b>	11,104
Rent, rates and taxes		<b>22,874</b>	17,080
Repair and maintenance		<b>9,231</b>	10,774
Safety and security		<b>10,389</b>	9,949
Medical		<b>7,698</b>	7,589
Communication charges		<b>2,424</b>	3,239
Printing, postage and stationery		<b>3,019</b>	2,031
Technical testing and analysis		<b>836</b>	655
Fees, subscription and professional charges		<b>965</b>	948
Entertainment		<b>1,069</b>	720
Staff welfare & support		<b>5,766</b>	4,578
Depreciation	6.6	<b>122,794</b>	119,448
Provision for obsolete stock in trade		<b>(2,124)</b>	1,022
Others		<b>191</b>	163
		<b>4,538,122</b>	2,864,758
Work-in-process - opening		<b>203,474</b>	99,846
Work-in-process - closing		<b>(117,973)</b>	(203,474)
		<b>85,501</b>	(103,628)
Cost of goods manufactured		<b>4,623,623</b>	2,761,130
Finished goods - opening		<b>43,929</b>	48,077
Finished goods - closing		<b>(128,815)</b>	(43,929)
		<b>(84,886)</b>	4,148
Freight charges		<b>76,783</b>	33,836
		<b>4,615,520</b>	2,799,114

**28.1** This includes an amount of Rs 11,971 thousand (2021: Rs 10,944 thousand), in respect of employees' retirement benefits.

	Note	2022 (Rupees in thousand)	2021
<b>29. SELLING EXPENSES</b>			
Salaries and other benefits	29.1	19,712	20,438
Vehicle running and maintenance		2,680	2,255
Travelling and conveyance		2,164	1,151
Rent, rates and taxes		752	705
Communications		574	488
Entertainment		469	262
Professional charges		-	175
Repair and maintenance		526	414
Utilities		625	418
Printing and stationery		36	126
Advertisement and sales promotion		188	103
Others		1	17
		<b>27,727</b>	<b>26,552</b>

**29.1** This includes an amount of Rs 1,537 thousand (2021: Rs 2,078 thousand), in respect of employees' retirement benefits.

	Note	2022 (Rupees in thousand)	2021
<b>30. ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and other benefits	30.1	66,216	58,243
Directors' meeting fee		5,900	5,450
Legal and professional charges		6,979	7,941
Vehicle running and maintenance		4,850	3,977
Medical		2,021	2,627
Rent, rate and taxes		1,606	1,088
Auditors' remuneration	30.2	2,305	2,200
Courses, seminar and subscription		1,767	1,603
Repair and maintenance		2,158	2,184
Safety & security		1,096	1,726
Travelling and conveyance		4,090	650
Utilities		630	505
Entertainment		1,146	716
Communications		789	704
Printing and stationery		71	81
Advertisement		194	260
Depreciation and amortization	6.6 & 7	10,584	10,046
Others		46	45
		<b>112,448</b>	<b>100,046</b>

**30.1** This includes an amount of Rs 3,219 thousand (2021: Rs 5,098 thousand), in respect of staff retirement benefits.



	Note	2022 (Rupees in thousand)	2021
<b>30.2 Auditors' Remuneration</b>			
Statutory audit		1,500	1,250
Half year review		500	500
Review of code of corporate governance		125	100
Consultation services		-	175
Out-of-pocket expenses		180	175
		<b>2,305</b>	<b>2,200</b>
<b>31. OTHER EXPENSES</b>			
Workers' Welfare Fund		2,154	716
Workers' Profit Participation Fund		7,757	3,676
Donation - without directors' interest	31.1	138	136
Advances written off		104	-
Loss on disposal of property, plant and equipment		-	16,228
Provision against pending litigations		-	9,341
		<b>10,153</b>	<b>30,097</b>
<b>31.1</b>	None of donation exceeds 10% of the total amount of donation.		
<b>32. OTHER INCOME</b>			
<b>Income from financial assets</b>			
Interest income on bank deposits and short-term investments		446	286
<b>Income from other than financial assets</b>			
Scrap sales - net of expenses		6,694	8,993
Gain on disposal of property, plant and equipment		811	-
Write back of liabilities		1,667	3,685
Others		-	672
		<b>9,618</b>	<b>13,636</b>

	Note	2022 (Rupees in thousand)	2021
<b>33. FINANCE COST</b>			
Mark-up on:			
Long term finances		13,902	10,790
Short-term borrowings		80,364	51,965
		94,266	62,755
Unwinding of interest on lease liabilities	20	17,610	20,725
Bank and other charges		10,514	9,179
		122,390	92,659
<b>34. TAXATION</b>			
Current tax		63,133	47,280
Deferred tax		(17,594)	(26,891)
		45,539	20,389
<b>34.1 Reconciliation of income tax expense and accounting profit:</b>			
Profit before taxation		145,718	66,503
Applicable tax rate		29%	29%
Tax charge at the applicable tax rate		42,258	19,286
Other differences		3,281	1,103
		45,539	20,389
<b>35. EARNINGS PER SHARE - BASIC AND DILUTED</b>			
<b>35.1 Profit after taxation (Rupees in '000')</b>		100,179	46,114
Weighted average number of ordinary shares		41,963,841	41,963,841
Earnings per share - basic and diluted (Rupees) - 2021 restated to consider impact of bonus issue		2.39	1.10
<b>35.2</b> There is no dilution effect on the basic earnings per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on June 30, 2022, which would have effect on the basic EPS, if the option to convert would have been exercised.			
		2022	2021
		(Rupees in thousand)	
<b>36. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	15	25,715	28,697
Short-term running finance		(202)	-
		25,513	28,697

### 37. SEGMENT REPORTING

#### 37.1 Description of operating segments

Business segments are determined based on the Company's management and internal reporting structure. The Company has two operating segments which are also the reporting segments i.e., injection and blowing.

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

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

#### 37.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit / (loss) before tax is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

	Injection		Blowing		Total	
	2022	2021	2022	2021	2022	2021
	----- Rupees in thousand -----					
Total Sales	4,069,721	2,647,097	2,523,037	1,370,160	6,592,758	4,017,257
Less: Intersegment sales (eliminated)	(1,567,546)	(916,568)	-	-	(1,567,546)	(916,568)
<b>Sales-net</b>	<b>2,502,175</b>	<b>1,730,529</b>	<b>2,523,037</b>	<b>1,370,160</b>	<b>5,025,212</b>	<b>3,100,689</b>
Total Cost of Sales	(2,347,643)	(1,557,189)	(3,835,423)	(2,157,471)	(6,183,066)	(3,714,660)
Less: Intersegment cost (eliminated)	-	-	1,567,546	916,568	1,567,546	916,568
<b>Cost of sales-net</b>	<b>(2,347,643)</b>	<b>(1,557,189)</b>	<b>(2,267,877)</b>	<b>(1,240,903)</b>	<b>(4,615,520)</b>	<b>(2,798,092)</b>
	<b>154,532</b>	<b>173,340</b>	<b>255,160</b>	<b>129,257</b>	<b>409,692</b>	<b>302,597</b>
Selling expenses	(13,806)	(14,819)	(13,921)	(11,733)	(27,727)	(26,552)
Administrative and general expenses	(55,991)	(55,837)	(56,457)	(44,209)	(112,448)	(100,046)
Impairment (loss)/gain on financial assets	(435)	361	(439)	285	(874)	646
	<b>(70,232)</b>	<b>(70,295)</b>	<b>(70,817)</b>	<b>(55,657)</b>	<b>(141,049)</b>	<b>(125,952)</b>
Operating profit	<b>84,300</b>	<b>103,045</b>	<b>184,343</b>	<b>73,600</b>	<b>268,643</b>	<b>176,645</b>
Segment assets	1,206,098	1,167,353	1,146,152	855,567	2,352,250	2,022,920
Unallocated assets	-	-	-	-	149,647	118,865
	<b>1,206,098</b>	<b>1,167,353</b>	<b>1,146,152</b>	<b>855,567</b>	<b>2,501,897</b>	<b>2,141,785</b>
Segment liabilities	745,431	613,846	674,011	440,356	1,419,442	1,054,202
Unallocated liabilities	-	-	-	-	51,402	237,514
	<b>745,431</b>	<b>613,846</b>	<b>674,011</b>	<b>440,356</b>	<b>1,470,844</b>	<b>1,291,716</b>
Capital expenditure	51,941	52,285	26,022	9,747	77,963	62,032
Unallocated capital expenditure	-	-	-	-	42,799	26,609
	<b>51,941</b>	<b>52,285</b>	<b>26,022</b>	<b>9,747</b>	<b>120,762</b>	<b>88,641</b>

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

	2022	2021
	(Rupees in thousand)	
Operating profit of the reportable segments	268,643	176,645
Add: other income	9,618	13,636
Less: other expenses	(10,153)	(30,097)
Finance costs	(122,390)	(92,659)
Profit / (loss) before taxation as per statement of profit or loss	<b>145,718</b>	<b>67,525</b>



### 38. FINANCIAL INSTRUMENTS

#### 38.1 Financial assets and liabilities

	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
	----- Rupees in thousand -----			
<b>June 30, 2022</b>				
<b>Financial assets:</b>				
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>
<b>Financial liabilities:</b>				
Maturity upto one year				
Employees' retirement benefits	33,418	-	-	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	33,418	-	-	33,418
	<u>1,317,466</u>	<u>-</u>	<u>-</u>	<u>1,284,048</u>
<b>June 30, 2021</b>				
<b>Financial assets:</b>				
Maturity upto one year				
Trade debts	228,181	-	-	228,181
Loans and advances	4,199	-	-	4,199
Deposits, prepayments and other receivables	2,383	200	-	2,583
Short-term investments	7,125	-	-	7,125
Cash and bank balances	28,597	-	-	28,597
Maturity above one year				
Long term deposits	-	12,209	-	12,209
	<u>270,485</u>	<u>12,409</u>	<u>-</u>	<u>282,894</u>
<b>Financial liabilities:</b>				
Maturity upto one year				
Trade and other payables	190,183	-	-	190,183
Short term borrowings - secured	595,040	-	-	595,040
Short term running finance - secured	-	-	-	-
Current maturity of non-current liabilities	175,817	-	-	175,817
Unclaimed dividend	2,761	-	-	2,761
Maturity above one year				
Long term finances - secured	139,511	-	-	139,511
Lease liabilities	107,703	-	-	107,703
	<u>1,211,015</u>	<u>-</u>	<u>-</u>	<u>1,211,015</u>

## 39. FINANCIAL RISK MANAGEMENT

### 39.1 Financial risk factors

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors (the Board) has the overall responsibility for the establishment and oversight of the Company's risk management framework.

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

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

#### a) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their abilities to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry.

Credit risk primarily arises from trade debts, loans and advances, other receivables and balances with banks. To manage exposure to credit risk in respect of trade debts, management performs credit reviews taking into account the customer's financial position, past experience and other relevant factors. Where considered necessary, advance payments are obtained from certain parties. The management has set an allowed credit period to reduce the credit risk. Credit risk on bank balances is limited as the counter parties are banks with reasonably high credit ratings. In respect of other counter parties, due to the Company's long standing business relationship with them, management does not expect non-performance by these counter parties on their obligations to the Company.

The Company recognises ECL for trade debts using the simplified approach as explained in note 4.22. As per the aforementioned approach, the loss allowance was determined as follows:

	June 30, 2022		June 30, 2021	
	Gross carrying value	Loss allowance	Gross carrying value	Loss allowance
	----- Rupees in thousand -----			
Current (not past due)	399,921	(1,821)	177,431	(680)
1–30 days past due	37,433	(389)	40,319	(350)
31–60 days past due	876	(104)	10,309	(1,190)
61–90 days past due	4,835	(1,696)	49	(17)
More than 90 days past due	2,766	(1,299)	4,508	(2,198)
	<b>445,831</b>	<b>(5,309)</b>	<b>232,616</b>	<b>(4,435)</b>

ECL on other receivables is calculated using general approach (as explained in note 4.22). As at the reporting date, Company envisages that default risk on account of non-realisation of other receivables is minimal and thus based on historical trends adjusted to reflect current and forward looking information loss allowance has been estimated by the Company using a range of probable recovery pattern of related other receivables and assigning a time value of money to same. As per the aforementioned approach, the loss allowance for other receivables as at June 30, 2022 and June 30, 2021 is considered to be insignificant.

Based on past experience, the management believes that no further impairment allowance is necessary in respect of trade debts, loans and advances and other financial assets.

The credit quality of the Company's bank balances and short term investments have been assessed below by reference to external credit ratings of counterparties determined by the Pakistan Credit Rating Agency Limited (PACRA) and JCR - VIS Credit Rating Company Limited (JCR-VIS). The counterparties for which external credit ratings were not available have been assessed by reference to internal credit ratings determined based on their historical information for any defaults in meeting obligations.

	2022	2021
	(Rupees in thousand)	
<b>Counterparties without external credit rating</b>		
Trade debts	440,522	228,181
Loans and advances	14,627	4,199
Deposits, prepayments and other receivables	3,229	2,583
	<u>458,378</u>	<u>234,963</u>

**Counterparties with external credit rating**

	Long-term rating	Rating agency	2022	2021
			(Rupees in thousand)	
<b>Short-term investments</b>				
Bank Al-Habib Limited	AAA	PACRA	7,125	7,125
<b>Bank balances</b>				
Bank Al-Habib Limited	AAA	PACRA	17,192	19,482
Askari Bank Limited	AA+	PACRA	5,866	1
MCB	AAA	PACRA	2,095	6,363
The Bank of Khyber	A+	PACRA	180	797
National Bank Limited	AAA	PACRA	259	259
JS Bank	AA-	PACRA	23	1,371
Habib Bank Limited	AAA	PACRA	-	324
			<u>25,615</u>	<u>28,597</u>

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses different methods which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a reasonable period, including the servicing of financial obligation. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The table below analyses the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the maturity date. The amounts disclosed in the table are undiscounted cash flows.

	Carrying amount	Contractual cash flows	Less than 1 Year	Between 1 to 5 years	5 years and above
			----- Rupees in thousand -----		
<b>As at June 30, 2022</b>					
Long term finance - secured	147,039	172,672	72,988	99,234	450
Lease liabilities	177,537	202,445	123,574	69,864	9,007
Trade and other payables	378,877	378,877	378,877	-	-
Unclaimed dividend	2,937	2,937	2,937	-	-
Short term borrowings - secured	606,640	606,640	606,640	-	-
Short term running finance - secured	202	202	202	-	-
	<u>1,313,232</u>	<u>1,363,773</u>	<u>1,185,218</u>	<u>169,098</u>	<u>9,457</u>

**As at June 30, 2021**

Long term finance - secured	218,074	254,412	91,314	158,931	4,167
Lease liabilities	197,417	216,860	102,788	114,072	-
Trade and other payables	188,677	188,677	188,677	-	-
Unclaimed dividend	2,761	2,761	2,761	-	-
Short term borrowings - secured	595,040	595,040	595,040	-	-
	<u>1,201,969</u>	<u>1,257,750</u>	<u>980,580</u>	<u>273,003</u>	<u>4,167</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest/ mark-up rates effective at the respective year-ends. The rates of interest / mark-up have been disclosed in the respective notes to these financial statements.

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

**c) Market risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market. The Company incurs financial liabilities to manage its market risk. All such activities are carried out with the approval of the Board. The Company is exposed to interest rate risk, currency risk and market price risk.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is mainly exposed to currency risk from its creditors.

	2022	2021
	(Rupees in thousand)	
Foreign currency liabilities of the Company are as follows:		
Trade and other payables	1,238	10,193
	<u>1,238</u>	<u>10,193</u>

**Sensitivity analysis:**

Management runs a sensitivity analysis (what-if) in case USD currency appreciate in comparison with the functional currency by 10%.

Had there been a revaluation of monetary assets and liabilities, the foreign exchange gains / (losses) in the statement of profit or loss would have been as follows:



	2022 (Rupees in thousand)	2021
Gross exposure on statement of profit or loss	<u>124</u>	<u>1,019</u>
Net of tax exposure on statement of profit or loss	<u>88</u>	<u>724</u>

A 10% depreciation of USD vs. the functional currency would have had the equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

		2022 Rupees	2021
Average rate for the year	USD	182.25	160.31
Reporting date rate	USD	206.00	158.30

## ii) Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rate.

The Company's exposure to the risk of changes in market interest rates relates primarily to the fund obtained from Parent Company with floating interest rates.

### ***Sensitivity analysis***

Management runs a sensitivity analysis (what-if) in case interest rate appreciate in comparison with the current interest rate by 1%.

	2022 (Rupees in thousand)	2021
Gross exposure on statement of profit or loss		
Financial Assets	101	99
Financial Liabilities	9,314	10,105
	<u>9,415</u>	<u>10,204</u>
Net of tax exposure on statement of profit or loss		
Financial Assets	71	70
Financial Liabilities	6,613	7,175
	<u>6,685</u>	<u>7,245</u>

## iii) Price risk

Price risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) such as equity price risk, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant price risk as at reporting date.

## 39.2 Capital risk management

The Company is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital and the level of dividend to ordinary shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders and / or issue new shares. There was no change to the Company's approach to the capital management during the year.

The Company is not subject to externally imposed capital requirements except for the maintenance of certain financial covenants. Under the terms of certain borrowing facilities, the Company is required to comply the following financial covenants:

- current ratio must not be less than 1.
- debt to equity ratios upto 70%.

The Company has complied with these covenants throughout the reporting period. As at June 30, 2022, the current ratio is 0.83 (2021 : 0.798). However, the Company has obtained waiver letters from the respective financial institutions for the year ended June 30, 2022 in respect of aforementioned covenant. Accordingly, the liabilities under these financing agreements have been classified as per the repayment schedule applicable in respect of the aforesaid financing agreements.

The Company monitors capital using a gearing ratio, which is calculated as net debt divided by total capital plus net debt. Net debt is calculated as amounts payable by the Company less cash and bank balances. Capital signifies equity as shown in the statement of financial position plus net debt. The Company's gearing ratio is as follows:

	2022	2021
	(Rupees in thousand)	
Long term finances - secured	147,039	218,074
Lease liabilities	177,537	197,417
Employees' retirement benefits	33,418	33,979
Trade and other payables	478,466	212,608
Unclaimed dividend	2,937	2,761
Short term borrowings - secured	606,640	595,040
Short term running finance - secured	202	-
Less: cash and cash equivalents	25,715	28,697
Net debt	<u>1,471,954</u>	<u>1,288,576</u>
Issued, subscribed and paid-up capital	419,638	381,489
Revenue reserve - Unappropriated profits	427,835	347,347
Surplus on revaluation of property, plant and equipment	183,580	121,233
Total capital	<u>1,031,053</u>	<u>850,069</u>
Capital and net debt	<u><u>2,503,007</u></u>	<u><u>2,138,645</u></u>
Gearing ratio	0.59	0.60

### 39.3 Off-setting of financial assets and liabilities

For the year ended June 30, 2022, no financial assets and liabilities were subject to offsetting.

## 40. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying values of financial assets and liabilities approximate their fair value.

### 40.1 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 market for identical assets/ liabilities.

#### - Level 2

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

#### - Level 3

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Level 2 fair value of revalued property, plant and equipment has been derived using the current market price or depreciated replacement cost method. 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.

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

	Liabilities				Equity		Total
	Short term borrowings	Short-term running finance	Finance lease liabilities	Long term finances	Share capital	Unappropriated profits	
Rupees in thousand							
<b>Balance at July 01, 2021</b>	<b>595,040</b>	<b>-</b>	<b>197,417</b>	<b>218,074</b>	<b>381,489</b>	<b>347,347</b>	<b>1,739,367</b>
<b>Changes from financing cash flows</b>							
Proceeds from loans	3,183,921	202	-	4,416	-	-	3,188,539
Repayment of loans	(3,172,891)	-	-	(78,377)	-	-	(3,251,268)
Repayment of lease liabilities	-	-	(112,163)	-	-	-	(112,163)
<i>Total changes from financing cash flows</i>	<b>11,030</b>	<b>202</b>	<b>(112,163)</b>	<b>(73,961)</b>	<b>-</b>	<b>-</b>	<b>(174,892)</b>
<b>Other changes</b>							
<i>Liability related</i>							
Finance leases obtained	-	-	74,673	-	-	-	74,673
Unwinding of interest on lease liabilities	-	-	17,610	-	-	-	17,610
Finance cost expense for the year	90,943	-	-	-	-	-	90,943
Finance cost paid - short-term borrowings	(90,373)	-	-	-	-	-	(90,373)
Transferred to deferred grant	-	-	-	(1,179)	-	-	(1,179)
Amortisation of deferred grant	-	-	-	4,105	-	-	4,105
<i>Total liability related other changes</i>	<b>570</b>	<b>-</b>	<b>92,283</b>	<b>2,926</b>	<b>-</b>	<b>-</b>	<b>95,779</b>
<i>Equity related</i>							
Total comprehensive income for the year	-	-	-	-	-	102,897	102,897
Transfer of incremental depreciation	-	-	-	-	-	15,740	15,740
Issue of bonus shares	-	-	-	-	-	(38,149)	(38,149)
<i>Total equity related other changes</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>80,488</b>	<b>80,488</b>
<b>Balance at June 30, 2022</b>	<b>606,640</b>	<b>202</b>	<b>177,537</b>	<b>147,039</b>	<b>381,489</b>	<b>427,835</b>	<b>1,740,742</b>
 Balance at July 1, 2020	 484,838	 40,371	 235,880	 104,795	 381,489	 284,558	 1,531,931
<b>Changes from financing cash flows</b>							
Proceeds from loans	1,947,702	-	-	141,659	-	-	2,089,361
Repayment of loans	(1,828,447)	-	-	(25,474)	-	-	(1,853,921)
Payment of lease liabilities	-	-	(41,221)	-	-	-	(41,221)
Dividend paid	-	-	-	-	-	-	-
<i>Total changes from financing cash flows</i>	<b>119,255</b>	<b>-</b>	<b>(41,221)</b>	<b>116,185</b>	<b>-</b>	<b>-</b>	<b>194,219</b>
<b>Other changes</b>							
<i>Liability related</i>							
Decrease in short-term running finance	-	(40,371)	-	-	-	-	(40,371)
Finance cost paid - short-term borrowings	(70,197)	-	-	-	-	-	(70,197)
Transferred to deferred grant	-	-	-	(8,444)	-	-	(8,444)
Amortisation of deferred grant	-	-	-	5,538	-	-	5,538
Leases obtained	-	-	2,758	-	-	-	2,758
Finance cost expense for the year	61,144	-	-	-	-	-	61,144
<i>Total liability related other changes</i>	<b>(9,053)</b>	<b>(40,371)</b>	<b>2,758</b>	<b>(2,906)</b>	<b>-</b>	<b>-</b>	<b>(49,572)</b>
<i>Equity related</i>							
Total comprehensive income for the year	-	-	-	-	-	45,440	45,440
Transfer of incremental depreciation	-	-	-	-	-	-	-
Surplus on assets disposed off - net of tax	-	-	-	-	-	17,349	17,349
Change in unclaimed dividend	-	-	-	-	-	-	-
<i>Total equity related other changes</i>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,789</b>	<b>62,789</b>
<b>Balance at June 30, 2021</b>	<b>595,040</b>	<b>-</b>	<b>197,417</b>	<b>218,074</b>	<b>381,489</b>	<b>347,347</b>	<b>1,739,367</b>

## 42. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for remuneration, including all benefits, to Executive Directors and Chief Executives of the Company is as follows:

	<b>Chief Executive</b>		<b>Directors</b>		<b>Executives</b>	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
	----- Rupees in thousand -----					
Meeting fee	-	-	<b>5,900</b>	5,450	-	-
Managerial remuneration	<b>22,758</b>	19,605	-	-	<b>33,345</b>	27,192
Bonus	-	2,725	-	-	-	-
Employee benefits	<b>2,276</b>	2,869	-	-	<b>20,493</b>	16,736
Company's contribution to provident and gratuity fund	-	2,338	-	-	<b>4,308</b>	3,901
Other perquisites	<b>1,628</b>	926	-	-	<b>3,731</b>	2,773
	<b>26,661</b>	28,463	<b>5,900</b>	5,450	<b>61,878</b>	50,602
Number of persons	<b>1</b>	<b>2</b>	<b>6</b>	<b>6</b>	<b>13</b>	<b>12</b>

- 42.1** In addition to the above, the Chief Executive Officer and some of the executives have been provided with free use of the Company maintained cars. Charge for the year in respect of staff retirement benefit is determined on basis of actual contribution.

## 43. GENERAL

**2022**      2021

### 43.1 Plant Capacity and Actual Production

#### Blowing

Capacity - no. of bottles (in '000)	<b>327,144</b>	327,144
Production - no. of bottles (in '000)	<b>181,896</b>	130,195
Utilization	<b>56%</b>	40%

#### Injection

Capacity - no. of preforms (in '000)	<b>728,864</b>	728,864
Production - no. of preforms (in '000)	<b>456,581</b>	420,473
Utilization	<b>63%</b>	58%

### 43.2 Number of employees

Number of employees at June 30

- Permanent	<b>224</b>	246
- Contractual	<b>591</b>	368

Average number of employees during the year

- Permanent	<b>231</b>	244
- Contractual	<b>430</b>	304

### 43.3 Rounding off

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



#### 44. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties of the Company comprise its directors, the employees' retirement benefit plan and key management personnel which include the CEO and directors. Amounts due from / (due to) related parties are disclosed in the relevant notes to these financial statements. The remuneration of Chief Executive, Directors and Executives is disclosed in note 42 to the statement of financial statements. Aggregate transactions with related parties during the year were as follows:

	2022	2021
	Rupees in thousand	
<b>Transactions during the year</b>		
Contribution to staff provident fund	<u>17,999</u>	<u>12,295</u>
Contribution to employees' gratuity fund	<u>4,450</u>	<u>82,200</u>
Remuneration to key management personnel	<u>59,815</u>	<u>53,058</u>
Directors fee	<u>5,900</u>	<u>5,450</u>
Payment against share appreciation right to CEO	<u>-</u>	<u>3,787</u>
Bonus shares issued	<u>-</u>	<u>10%</u>

#### 45. 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.

#### 46. IMPACT OF COVID - 19 ON THE 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 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.

#### 47. Corresponding figures

Corresponding figures have been re-arranged and re-classified as follows, for the purposes of comparison and better presentation as per reporting framework. However, the change in corresponding figures has no material impact on previously reported financial position, financial performance and cash flow of the Company.

Reclassified from	Reclassified to	Rupees in thousands
Non Current Liabilities	Current Liabilities	33,979
Other expenses	Cost of sales	1,022

**48. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE**

The Board of Directors in its meeting held on 23 September 2022 has proposed bonus shares for the year ended June 30, 2022 @ 15% i.e. 15 shares for every 100 shares held (2021 @ 10% i.e. 10 shares for every 100 shares held) for approval of the members in the annual general meeting to be held on 28 October 2022.

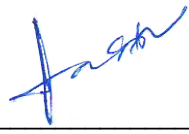
**49. DATE OF AUTHORIZATION FOR ISSUE**

These financial statements have been authorised for issue by the Board of Directors of the Company on 23 September 2022.

*2022*

  
\_\_\_\_\_  
**Chief financial  
Officer**

  
\_\_\_\_\_  
**Chief Executive  
Officer**

  
\_\_\_\_\_  
**Director**

# PROXY FORM

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

I/We \_\_\_\_\_ of \_\_\_\_\_

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

Folio	No	and	/	or	CDC	Participant
-------	----	-----	---	----	-----	-------------

I.D. No. \_\_\_\_\_ and Account / Sub-Account No. \_\_\_\_\_

do hereby appoint \_\_\_\_\_ of \_\_\_\_\_ as \_\_\_\_\_

my / our proxy to attend, speak and vote for me / us and on my / our behalf at the 31<sup>st</sup>

Annual General Meeting of the Company to be held on Friday October 28, 2022

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

2022 signed the said proxy in the presence of:

Witnesses:

1. Signature:

Name: \_\_\_\_\_

**Address:** \_\_\_\_\_

[illegible]

or

Passport No. \_\_\_\_\_

Signature \_\_\_\_\_

2. Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Address:

[illegible]

OF

Passport No. \_\_\_\_\_

**Note:**

- i. The Proxy Form in order to be valid must be deposited with the Company not later than 48 hours before the time of holding the meeting.
- ii. The proxy must be a member of the company.
- iii. CDC Shareholders and their Proxies must attached either an attested photocopy of their Computerized National Identity Card or Passport with the proxy form.

Revenue Stamp








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










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