

Manufacturers Of Quality PET Bottles and Preforms

Ec  **oPack Ltd**

CONDENSED INTERIM FINANCIAL STATEMENTS

For the 9 Months Period March 31, 2023 (Un-Audited)

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QUALITY
IS OUR FORTÉ



The background is a complex collage. At the top, there are various skyscrapers in shades of blue and grey. In the center, a hand is shown holding a transparent globe. Below the globe, another hand is visible, and the background transitions into a cityscape with a warm, orange and yellow glow, suggesting a sunrise or sunset. The overall composition is layered and dynamic, representing global reach and strategic vision.

VISION & MISSION STATEMENT

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

CORPORATE STRATEGY

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



COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

CHIEF FINANCIAL OFFICER

Mr. Muhammed Ali Adil

COMPANY SECRETARY

Mr. Awais Imdad

BANKERS

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

AUDITORS

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

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

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

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

DIRECTORS' REPORT

The Board of Directors of EcoPack Limited is pleased to present the financial statements for the 9-months period ended 31st March 2023 along with the unaudited financial statement for the 3QFY2023 ended 31st March 2023 as well as the Directors' Report thereon:

OVERVIEW

The macroeconomic factors and the historically high inflation reported in the Directors' Report for the Half-year ended 31st December 2022 unfortunately continued to worsen in the 3rd quarter of FY2023. Instead of the expected financial relief coming from a much-anticipated IMF agreement, which has so far eluded the economic managers of the GOP, a worsening inflationary environment fueled by a sharply depreciating PKR against a strong USD powered by rising interest rates in the USA, further exacerbated the economic woes that continue to beset our economy. Because of the actions by the SBP to control the exponential increase in costs and the sharply rising CPI (almost 35% in March 2023), the SBP/MPC increased the 'Discount Rate' to 21 percent PA. With the PKR at its weakest hitherto against the hard foreign currencies, our largely import based economy has had to suffer an inexorable increase in both the 'cost of living' as well as the 'cost of doing business' as prices of fuel/gas, electricity, truck freight rates, high interest rates rose sharply along with an ongoing international food & commodity 'super cycle'. All these factors plus the international geo-political disruptions on account of the Ukraine war, have combined to conjure up a disastrous conundrum for the world, especially developing countries like Pakistan, severely impacting businesses across the board. Hence, the COGS of your company witnessed unusual exogenous shocks in its supply-chain management of raw materials compounded by SBP import restrictions. All this came in the wake of the worst floods in Q1FY23 that the country had seen in decades, severely ravaging both livelihoods' and physical infrastructure, resulting in significantly lower than the usual sales in the normally slow winter period of beverage consumption.

In such adverse business conditions your company's experienced management team took a host of timely steps to arrest the ongoing rot endured in the first 6-months of the FY and mounted an effective recovery plan to ameliorate the high losses incurred by the company in this period. A combination of prudent and aggressive business decisions to enhance sales going forward, while protecting its margins, as well as timely procurement/booking of key raw & packing materials in a rising commodity market, is already helping the cause of the company's return to profitability in the closing months of the current financial year.

SALES & FINANCIAL HIGHLIGHTS

Topline revenue has significantly increased by 35% from Rs. 2.9 billion to Rs. 3.9 billion as compared to the corresponding period last year. The major factors of this significant growth are: (i) the enhanced sales volumes of high value bottles by 18% as compared to the 9MFY22 and (ii) PET resin (basic raw material) price increased by 23% YoY which is a substantial part of the product price. Despite deteriorating economic conditions in Pakistan, and the huge inflationary headwinds amid import restrictions and Pak rupee devaluation etc., your management team has succeeded in passing this cost push partially, however, this has somewhat compromised our margins. Owing to the terrible floods and dislocation of a large population in the first quarter of FY23, sales volume of Preforms could not be achieved as compared to the same period last year, hence, the fixed cost could not be absorbed proportionally as expected. Electricity costs have also substantially increased by 39.7%. Nevertheless, we have recorded a gross profit of Rs. 265.5 million against a gross profit of Rs. 241.4 million in the same period last year. Similarly, Operating profit has been recorded at Rs. 146.9 million against an Operating Profit of Rs. 135.3 million last year for 9MFY22.

Financial charges have significantly increased from Rs. 79.9 million to Rs. 155.2 million, an increase of 94% mainly on account of (1) the sharp increase in KIBOR and the SBP discount rate. KIBOR increased from 11.95% last year to 21.98% during 9MFY23 i.e., an increase of 84% and (2) the increase in higher deployment of working capital borrowings due to a sharp rise in the cost of raw & packing materials compared to last year.

Pre-tax loss is recorded at Rs. 8.3 million against a pre-tax profit of Rs. 55.4 million compared to last year's first nine months. However, Post-tax loss comes to Rs. 22.9 million against a post-tax profit of Rs. 45.5 million in the same period last year. It may be noted that pre-tax profit for the 3QFY23 stood at Rs. 206.2 million versus Rs. 85.9 million QoQ which is an improvement of Rs. 120.3 million i.e. 58 percent.

Loss per share (basic and diluted) for the first nine months of FY 2023 is Rs. 0.48 per share against earnings per share of Rs. 0.86 per share for the last year's corresponding period.

FUTURE OUTLOOK

In the face of excruciating price inflation and biting CPI/food and energy increases almost every month, the purchasing power of the consumer has been significantly reduced. This does not bode well for consumption and leaves very little space to buy anything more than essentials to survive for the lower base of the consumer pyramid. The usually high beverage consumption in the month of Ramzan should lift sales despite a slowdown expected in the economy. This is likely to continue into the hot summer quarter of strong beverage sales. One can, therefore, be cautiously hopeful that despite a precarious economy and continuing erosion in real incomes across the board, your company is expected to close a profitable year in June 2023.

RISKS

The prevailing uncertainty in the national political landscape can have its implications on the macroeconomic situation of the country. The constantly depreciating Rupee can put pressure on the input costs in the months to come. The economic turmoil can also have a negative impact on the sales volumes of the company.

Supply-chain and import issues remain a challenge until the balance-of-payment situation improves.

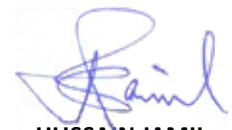
OTHER MATTERS

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

FOR & ON BEHALF OF THE BOARD OF DIRECTORS



Omer Tariq
Director



HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

Date: April 28, 2023

“ANNEXURE A” TO THE DIRECTORS’ REPORT

1. The total number of Directors are seven as follows:
 - a. Male: 06
 - b. Female: 01

2. The composition of the Board is as follows:
 - a) **Independent Directors**
(1) Mr. Ameen Jan (2) Mr. Junaid Hameed Dagia
 - b) **Non-executive Directors**
(1) Mr. Muhammad Kamran Nasir (2) Mr. Arif Ahmed Siddiqui (3) Mr. Omer Tariq
 - c) **Executive Director**
(1) Mr. Hussain Jamil
 - d) **Female Director**
(1) Mrs. Sonya Jamil (Non-executive Director)

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

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

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

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

4. The Board has approved the Remuneration Policy of Directors and significant features are as follows:
 - The Board of Directors (“BOD”) shall, from time to time, determine and approve the remuneration of the members of the BOD for attending Board Meetings. Such level of remuneration shall be appropriate and commensurate with the level of responsibility and expertise offered by the members of the BOD, and shall be aimed at attracting and retaining members needed to govern the Company successfully and creating value addition.
 - No single member of the BOD shall determine his/her own remuneration.

For & on behalf of the Board of Directors



Omer Tariq
Director



HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

Date: April 28, 2023

ڈائریکٹرز رپورٹ

لیکو بیگ لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 31 مارچ 2023 کو ختم ہونے والی 9 ماہ کی مدت کے لئے مالی گوشوارے پیش کرنے پر خوشی کا اظہار کیا ہے جس میں 31 مارچ 2023 کو ختم ہونے والی مالی سال 2023 کی تیسری سہ ماہی کے لئے غیر آڈٹ شدہ مالی گوشوارے کے ساتھ ساتھ اس پر ڈائریکٹرز کی رپورٹ بھی شامل ہے

جائزہ:

میکرو اکنامک عوامل اور 31 دسمبر 2022 کو ختم ہونے والی ششماہی کے لئے ڈائریکٹرز رپورٹ میں درج تاریخی طور پر بلند افراط زر بد قسمتی سے مالی سال 2023 کی تیسری سہ ماہی میں بدتر ہوتے رہے۔ آئی ایم ایف معاہدے سے متوقع مالی ریلیف کے بجائے، جو اب تک حکومت پاکستان کے معاشی منتظمین کو نظر انداز کیا گیا ہے، امریکہ میں بڑھتی ہوئی شرح سود کی وجہ سے مضبوط امریکی ڈالر کے مقابلے میں روپے کی قدر میں تیزی سے کمی کی وجہ سے بڑھتی ہوئی افراط زر کی فضا نے معاشی مشکلات کو مزید بڑھا دیا جو ہماری معیشت کو مسلسل پریشان کر رہے ہیں۔ اسٹیٹ بینک کی جانب سے اخراجات میں بے تحاشا اضافے اور CPI (مارچ 2023 میں تقریباً 35 فیصد) پر قابو پانے کے اقدامات کی وجہ سے اسٹیٹ بینک / MPC نے 'ڈسکاؤنٹ ریٹ' کو بڑھا کر 21 فیصد PA کر دیا۔ غیر ملکی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر اب تک کی سب سے کمزور سطح پر ہونے کی وجہ سے ہماری درآمدات پر مبنی معیشت کو 'زندگی گزارنے کی لاگت' اور 'کاروبار کرنے کی لاگت' دونوں میں ناقابل تلافی اضافے کا سامنا کرنا پڑا ہے کیونکہ ایندھن / گیس، بجلی، مال برداری کے اخراجات، بلند شرح سود اور جاری بین الاقوامی خوراک اور اجناس کی آسمان کو چھوتی ہوئی قیمتوں میں مزید اضافہ ہوا ہے۔ ان تمام عوامل کے ساتھ ساتھ یوکرین جنگ کی وجہ سے بین الاقوامی جغرافیائی و سیاسی خلل نے مل کر دنیا، خاص طور پر پاکستان جیسے ترقی پذیر ممالک کے لیے ایک تباہ کن مسئلہ پیدا کر دیا ہے، جس سے دنیا بھر کے کاروبار بری طرح متاثر ہو رہے ہیں۔ لہذا، آپ کی کمپنی کے COGS نے اسٹیٹ بینک کی درآمدی پابندیوں کی وجہ سے خام مال کی سپلائی چین مینجمنٹ میں غیر معمولی بیرونی اثرات دیکھے۔ مالی سال 23 کی پہلی سہ ماہی میں بدترین سیلاب کے تناظر میں یہ اقدام سامنے آیا جو ملک نے دہائیوں میں دیکھا گیا تھا، جس نے معاشی اور تعمیراتی ڈھانچے دونوں کو بری طرح تباہ کر دیا تھا، جس کے نتیجے میں عام طور پر نسبتاً کم فروخت والے موسم سرما میں مشروبات کی کھپت کے معمول کے مقابلے میں فروخت میں نمایاں کمی واقع ہوئی تھی۔

اس طرح کے خراب کاروباری حالات میں آپ کی کمپنی کی تجربہ کار مینجمنٹ ٹیم نے مالی سال کے پہلے 6 ماہ میں پوشیدہ نقصانات کو روکنے کے لئے بروقت اقدامات اٹھائے اور اس عرصے میں کمپنی کو ہونے والے اعلیٰ نقصانات کو کم کرنے کے لئے ایک مؤثر بحالی کا منصوبہ تیار کیا۔ مستقبل میں فروخت کو بڑھانے کے لئے دانشمندانہ اور جارحانہ کاروباری فیصلوں کا امتزاج، اس کے مارجن کی حفاظت کے ساتھ ساتھ بڑھتی ہوئی کموڈٹی مارکیٹ میں اہم خام اور پیکنگ مواد کی بروقت خریداری / بلنگ، پہلے ہی رواں مالی سال کے اختتامی مہینوں میں کمپنی کی منافع کی طرف واپسی کی وجہ میں مدد کر رہا ہے۔

فروخت اور مالیات کے اہم نکات

ٹاپ لائن ریونیو میں گزشتہ سال کے اسی عرصے کے مقابلے میں 35 فیصد اضافہ ہوا ہے جو 2.9 ارب روپے سے بڑھ کر 3.9 ارب روپے تک پہنچ گئی ہے۔ اس اہم ترقی کے اہم عوامل یہ ہیں: (1) مالی سال 22 کے 9 ماہ کے مقابلے میں اعلیٰ قیمت کی بوتلوں کی فروخت کے حجم میں 18 فیصد اضافہ ہوا اور (2) Pet Resin (بنیادی خام مال) کی قیمت میں سال بہ سال 23 فیصد اضافہ ہوا جو مصنوعات کی قیمت کا ایک اہم حصہ ہے۔ پاکستان میں بگڑتے ہوئے معاشی حالات اور درآمدی پابندیوں اور پاکستانی روپے کی قدر میں کمی وغیرہ کے باعث افراط زر کی شدید لہروں کے باوجود آپ کی مینجمنٹ ٹیم لاگت میں اس اضافے کو جزوی طور پر پاس کرنے میں کامیاب رہی ہے، تاہم اس نے ہمارے مارجن کو کسی حد تک متاثر کیا ہے۔ مالی سال 23 کی پہلی سہ ماہی میں خوفناک سیلاب اور ایک بڑی آبادی کی نقل مکانی کی وجہ سے، Preforms کی فروخت کا حجم پچھلے سال کے اسی عرصے کے مقابلے میں حاصل نہیں کیا جا سکا، لہذا، مقررہ لاگت کو توقع کے مطابق تناسب سے جذب نہیں کیا جا سکا۔ بجلی کی قیمتوں میں بھی 39.7 فیصد اضافہ ہوا ہے۔ اس کے باوجود ہم نے 265.5 ملین روپے کا مجموعی منافع ریکارڈ کیا ہے جبکہ گزشتہ سال کے اسی عرصے میں مجموعی منافع 241.4 ملین روپے تھا۔ اسی طرح آپریٹنگ منافع 146.9 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال مالی سال 22 کے 9 ماہ کے لئے آپریٹنگ منافع 135.3 ملین روپے تھا۔

فنانشل چارجز 79.9 ملین روپے سے بڑھ کر 155.2 ملین روپے ہو گئے ہیں، جس کی بنیادی وجہ (1) KIBOR میں تیز اضافہ اور اسٹیٹ بینک ڈسکاؤنٹ ریٹ ہے۔ مالی سال 2023 کے دوران KIBOR 11.95 فیصد سے بڑھ کر 21.98 فیصد ہو گیا یعنی 84 فیصد اضافہ اور (2) گزشتہ سال کے مقابلے میں خام اور پیکنگ کے سامان کی لاگت میں تیزی سے اضافے کی وجہ سے ورکنگ کیمپنل قرضوں کی زیادہ تعیناتی میں اضافہ۔

قبل از ٹیکس خسارہ 8.3 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال کے پہلے نو ماہ کے مقابلے میں قبل از ٹیکس منافع 55.4 ملین روپے تھا۔ تاہم بعد از ٹیکس نقصان 22.9 ملین روپے ہے جبکہ گزشتہ سال کے اسی عرصے میں 45.5 ملین روپے کا بعد از ٹیکس منافع ہوا تھا۔ واضح رہے کہ مالی سال 23 کی تیسری سہ ماہی میں قبل از ٹیکس منافع 85.9 ملین روپے کے مقابلے میں 206.2 ملین روپے رہا جو 120.3 ملین روپے یعنی 58 فیصد اضافہ ہے۔

مالی سال 2023ء کے پہلے نو ماہ کے لئے فی حصص خسارہ (بنیادی اور پتلا) 0.48 روپے فی حصص ہے جبکہ پچھلے سال کی اسی مدت کے لئے فی حصص آمدنی 0.86 روپے فی حصص تھی۔

مستقبل کے امکانات

قیمتوں میں بے تحاشہ افراط زر اور سی پی آئی / خوراک اور توانائی میں تقریباً ہر ماہ اضافے کی وجہ سے صارفین کی قوت خرید میں نمایاں کمی واقع ہوئی ہے۔ یہ کھپت کے لئے اچھا نہیں ہے اور صارف اہرام کی چٹائی بنیاد کے لئے زندہ رہنے کے لئے ضروری اشیاء کے علاوہ کچھ بھی خریدنے کے لئے بہت کم جگہ چھوڑتا ہے۔ رمضان کے مہینے میں عام طور پر زیادہ مشروبات کی کھپت سے معیشت میں شدید مندی کی توقع کے باوجود فروخت میں اضافہ ہونا چاہئے۔ توقع ہے کہ یہ گرم موسم گرما کی سہ ماہی میں مشروبات کی مضبوط فروخت میں ضم ہو جائے گا۔ لہذا، محتاط طور پر امید کی جاسکتی ہے کہ ایک بہت ہی غیر یقینی معیشت اور بورڈ بھر میں حقیقی آمدنی میں مسلسل کمی کے باوجود، آپ کی کمپنی جون 2023 میں منافع بخش سال کے اختتام کی توقع ہے۔


خطرات

یہ بات تشویش ناک ہے کہ بگڑتی ہوئی سیاسی اور معاشی صورت حال کے ساتھ ساتھ ریاستی اداروں کے غیر متزلزل تضادم سے آئی ایم ایف کے اہم معاہدے میں رکاوٹیں پیدا ہونے کا امکان ہے۔ افسوس کی بات ہے کہ ہر گزرتا دن مزید غیر یقینی صورتحال کا پیش خیمہ بنا ہوا ہے۔ روپے کی مسلسل گرتی ہوئی قدر نے اثرائت اور ریاستی قبضے دونوں کے رحم و کرم پر رہ جانے والی بے بس آبادی کی پریشانیوں میں اضافہ کر دیا ہے، جس سے معیشت موجودہ سنگین حالت میں ہے۔

ادائیگیوں کے توازن کی صورتحال بہتر ہونے تک سپلائی چین اور امپورٹ کے مسائل ایک چیلنج بنے ہوئے ہیں۔

دیگر معاملات

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


حسین جمیل

چیف ایگزیکٹو آفیسر


عمر طارق

ڈائریکٹر

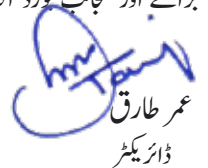
ڈائریکٹرز کی رپورٹ کے مطابق ”ضمیمہ الف“

1. ڈائریکٹرز کی کل تعداد سات درج ذیل ہے:
 - a. مرد: 06
 - b. خواتین: 01
2. بورڈ کی تشکیل درج ذیل ہے:
 - (a) آزاد ڈائریکٹرز
(1) جناب امین جان (2) جناب جنید حمید ڈاگیا
 - (b) نان ایگزیکٹو ڈائریکٹرز
(1) جناب محمد کامران ناصر (2) جناب عارف احمد صدیقی (3) جناب عمر طارق
 - (c) ایگزیکٹو ڈائریکٹرز
(1) جناب حسین جمیل
 - (d) خاتون ڈائریکٹر
(1) مسز سونیا جمیل (نان ایگزیکٹو ڈائریکٹر)
3. بورڈ نے ارکان پر مشتمل کمیٹیاں تشکیل دی ہیں جیسا کہ ذیل میں دیا گیا ہے:
 - (a) آڈٹ کمیٹی
 - (1) جناب امین جان چیئرمین
 - (2) جناب عارف احمد صدیقی رکن
 - (3) جناب عمر طارق رکن
 - (4) مسز سونیا جمیل رکن
 - (b) انسانی وسائل اور معاوضہ (ایچ آر آر) کمیٹی
 - (1) جناب جنید حمید ڈاگیا چیئرمین
 - (2) جناب عارف احمد صدیقی رکن
 - (3) جناب عمر طارق رکن
 - (4) مسز سونیا جمیل رکن
4. بورڈ نے ڈائریکٹرز کے لیے معاوضے کی پالیسی منظور کی ہے جس کے نمایاں پہلو مندرجہ ذیل ہیں:
 - بورڈ آف ڈائریکٹرز (BOD) وقتاً فوقتاً بورڈ آف ڈائریکٹرز کے اراکین کے لیے بورڈ اجلاسوں میں شرکت کے عوض معاوضے کا تعین اور منظوری دے گا۔ ایسا معاوضہ ذمہ داری کی سطح اور BOD اراکین کی پیش کردہ مہارت کے ہم پلہ ہو گا اور اس کا مقصد ایسے اراکین کو اپنی طرف کشش دلانا اور اپنے ساتھ رکھنا جنکی کمپنی کو کامیابی سے چلانے اور قدری قیمت پیدا کرنے کے لیے ضرورت ہے۔
 - BOD کا کوئی رکن انفرادی طور پر اپنے معاوضے کا تعین نہیں کرے گا۔



حسین جمیل
 چیف ایگزیکٹو آفیسر

برائے اور منجانب بورڈ آف ڈائریکٹرز



عمر طارق
 ڈائریکٹر

تاریخ: 28 اپریل، 2023

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
 AS ON MARCH 31, 2023**

	Note	Un-audited March 31 2023	Audited June 30 2022
Rupees in thousand			
NON CURRENT ASSETS			
Property, plant & equipment	4	1,376,589	1,424,091
Intangible assets		4,071	4,477
Long term deposits		13,821	12,609
Deferred tax asset - net	5	21,395	-
		1,415,876	1,441,177
CURRENT ASSETS			
Stores, spares and loose tools	6	80,139	84,827
Stock-in-trade	7	596,423	384,593
Trade debts		585,003	440,522
Loans and advances	8	99,740	80,211
Deposits, prepayments and other receivables		11,639	4,611
Advance tax - net		4,908	33,116
Short-term investments	9	-	7,125
Cash and bank balances		35,897	25,715
		1,413,749	1,060,720
TOTAL ASSETS		2,829,625	2,501,897
SHARE CAPITAL AND RESERVES			
Authorised capital		500,000	500,000
Issued, subscribed and paid-up capital	10	482,584	419,638
Revenue reserve - Unappropriated profits		357,390	427,835
Surplus on revaluation of property, plant and equipment	11	171,302	183,580
		1,011,276	1,031,053
NON-CURRENT LIABILITIES			
Long term finances - secured	12	62,033	84,343
Deferred government grant		1,061	1,783
Lease liabilities	13	75,508	68,710
Deferred tax liabilities - net		-	16,714
		138,602	171,550
CURRENT LIABILITIES			
Employees' retirement benefits		34,391	33,418
Trade and other payables	14	400,511	478,466
Unclaimed dividend		3,138	2,937
Short term borrowings - secured		1,120,865	606,640
Short term running finance - secured		28,525	202
Current maturity of non-current liabilities		92,317	177,631
		1,679,747	1,299,294
Contingencies and commitments	15		
TOTAL EQUITY AND LIABILITIES		2,829,625	2,501,897

The annexed notes 1 to 26 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

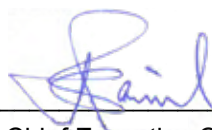
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Note	Three month period ended		Nine month period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Rupees in thousand					
Revenue from contracts with customers		2,383,664	1,493,775	4,567,344	3,372,286
Sales tax and discounts		(359,183)	(220,348)	(677,853)	(495,705)
Revenue from contracts with customers - net	16	2,024,481	1,273,427	3,889,491	2,876,581
Cost of sales	17	(1,720,740)	(1,122,337)	(3,623,982)	(2,635,194)
GROSS PROFIT		303,741	151,090	265,509	241,387
Selling expenses		(8,095)	(7,057)	(24,685)	(20,483)
Administrative and general expenses		(28,357)	(21,286)	(95,514)	(80,562)
Other expenses		515	(5,632)	(118)	(6,242)
Other income		1,868	3,598	5,271	5,553
Net impairment losses on financial assets		-	(1,975)	(3,583)	(4,364)
		(34,069)	(32,352)	(118,629)	(106,098)
OPERATING PROFIT		269,672	118,738	146,880	135,289
Finance cost		(63,422)	(32,785)	(155,216)	(79,915)
PROFIT/ (LOSS) BEFORE TAXATION		206,250	85,953	(8,336)	55,374
- Current		(25,379)	(16,023)	(49,550)	(36,255)
- Deferred		(39,890)	(8,954)	34,911	26,375
Taxation		(65,270)	(24,977)	(14,640)	(9,880)
PROFIT/ (LOSS) FOR THE PERIOD		140,980	60,976	(22,976)	45,494
Earning/ (loss) per share - basic and diluted (Rs.)	18	2.92	1.26	(0.48)	0.86

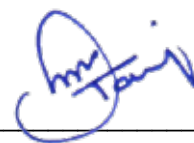
The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

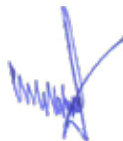


Director

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
 FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Three month period ended		Nine month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees in thousand			
PROFIT/ (LOSS) FOR THE PERIOD	140,980	60,976	(22,976)	45,494
OTHER COMPREHENSIVE INCOME / (LOSS):				
- Surplus on revaluation of operating fixed assets	-	89,141	-	89,141
- Deferred tax	3,199	(11,054)	3,199	(11,054)
	3,199	78,087	3,199	78,087
	144,179	139,063	(19,777)	123,581

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

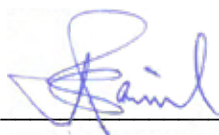
**CONDENSED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

	Share Capital	Unappropriated profits	Surplus on revaluation of property and plant	Total
	----- Rupees in thousand -----			
Balance as at July 1, 2021	381,489	347,347	121,233	850,069
- Profit for the period	-	45,494	-	45,494
- Other comprehensive Income	-	-	78,087	78,087
Total comprehensive income for the period	-	45,494	78,087	123,581
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	11,814	(11,814)	-
Transaction with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 10%	38,149	(38,149)		-
Balance as at March 31, 2022 (un-audited)	419,638	366,506	187,506	973,650
Balance as at July 1, 2022	419,638	427,835	183,580	1,031,053
- Loss for the period	-	(22,976)	-	(22,976)
- Other comprehensive income	-	-	3,199	3,199
Total comprehensive income for the period	-	(22,976)	3,199	(19,777)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	15,477	(15,477)	-
Transaction with members recorded directly in equity				
<i>Distribution to members</i>				
- Issuance of bonus shares @ 15%	62,946	(62,946)		-
Balance as at March 31, 2023	482,584	357,390	171,302	1,011,276

The annexed notes 1 to 26 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

**CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023**

Note	Nine month period ended	
	March 31, 2023	March 31, 2022
	Rupees in thousand	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss for the period - before taxation	(8,336)	55,374
Adjustments for non-cash items:		
Depreciation and amortization	109,229	98,079
Gain on disposal of property, plant and equipment	(1,011)	(1)
Loss allowance on trade debts	3,583	4,364
Reversal of liabilities no longer required	(2,704)	-
Provision for slow moving stock in trade	118	402
Provision for workers participation fund	-	3,835
Provision for gratuity	6,193	4,089
Finance cost	155,216	79,915
	262,289	246,056
Changes in working capital		
Decrease/ (Increase) in stores and spares	4,688	(25,792)
Increase in stock in trade	(211,948)	(54,457)
Increase in trade debts	(148,064)	(237,056)
Increase in loans and advances	(19,529)	(23,452)
Increase in deposits, prepayments and other receivables	(7,028)	(5,766)
Increase in trade and other payables	(77,955)	85,120
	(459,836)	(261,403)
	(197,547)	(15,347)
Finance cost paid - short term borrowings	(97,622)	(52,686)
Workers participation fund paid	(7,272)	(3,676)
Contributions to gratuity	(5,220)	(3,350)
Income taxes paid	(21,342)	(44,777)
Net cash (used in) operating activities	(329,003)	(119,837)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(38,186)	(78,819)
Sale proceeds from disposal of property, plant and equipment	13,648	3,520
Change in long term deposits	(1,212)	-
Net cash (used in) investing activities	(25,750)	(75,299)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of lease liabilities	(74,213)	(49,308)
Long-term finances acquired	-	4,417
Long-term finances (repaid)	(60,392)	(57,926)
Interest on unclaimed dividend	201	69
Short-term borrowings received	482,458	254,236
Finance cost paid on long-term finances	(11,441)	(8,652)
Net cash generated from financing activities	336,612	142,835
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,141)	(52,301)
Cash and cash equivalents at beginning of the period	25,513	28,697
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	7,372	(23,604)

The annexed notes 1 to 26 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2023

1. Legal status and operations

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

2. Statement of compliance

These condensed interim financial statements for nine month period ended March 31, 2023 have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

The disclosures in these condensed interim financial statements does not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2022.

3. Significant accounting policies

The accounting policies and significant judgements made in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the audited financial statements for the year ended June 30, 2022.

	Note	Un-audited March 31 2023	Audited June 30, 2022
Rupees in thousand			
4. Property, plant and equipment			
Operating fixed assets	4.1	1,344,732	1,385,930
Capital work-in-progress	4.3	198	12,890
Capital spares - net of depreciation		31,659	25,271
		<u>1,376,589</u>	<u>1,424,091</u>
4.1 Operating fixed assets - at net book value			
Net book value at the beginning of the period / year		1,385,930	1,312,120
Additions during the period / year	4.1.1	80,258	120,762
Revaluation during the period		-	89,141
Disposals during the period / year		(12,637)	(3,529)
Depreciation charged for the period / year		(108,819)	(132,564)
Net book value at the end of the period / year		<u>1,344,732</u>	<u>1,385,930</u>
4.1.1 Additions during the period / year			
Factory building and roads on lease-hold land		700	929
Plant and Machinery - owned		840	39,500
Plant and Machinery - right of use		-	37,688
Factory equipment		35,020	26,126
Office equipment		1,814	3,137
Vehicle - owned		1,537	53
Vehicle - right of use		40,347	13,329
		<u>80,258</u>	<u>120,762</u>
4.2 Right of use asset			
Net book value at the beginning of the period / year		362,144	346,230
Additions during the period / year		40,347	51,017
Transfers from right of use asset to owned assets		(8,598)	(661)
Net book value of disposals		(4,074)	(2,167)
Depreciation charge		(28,401)	(32,275)
Net book value at the end of the period / year		<u>361,417</u>	<u>362,144</u>
4.3 Capital work-in-progress			
Net book value at the beginning of the period / year		12,890	440
Additions during the period / year		18,385	25,994
Transfers during the period / year		(31,077)	(13,544)
Net book value at the end of the period / year		<u>198</u>	<u>12,890</u>

Note	Un-audited March 31 2023	Audited June 30, 2022
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Rupees in thousand

5. Deferred tax asset - net

Taxable temporary differences arising in respect of:

- Accelerated depreciation and amortization	121,885	121,003
- Revaluation on surplus of property, plant and equipment	52,112	56,910
- Right-of-use-assets	70,788	57,227
	<u>244,785</u>	<u>235,140</u>

Deductible temporary differences arising in respect of:

- Staff retirement benefit - gratuity	(10,661)	(10,359)
- Carried forward tax losses	(18,325)	(20,971)
- Minimum tax	(228,143)	(178,593)
- Provisions	(9,051)	(8,503)
	<u>(266,180)</u>	<u>(218,426)</u>
	<u>(21,395)</u>	<u>16,714</u>

- 5.1 The deferred tax asset has been recognised taking into account the availability of future taxable profits as per business plan of the Company. The existence of future taxable profits is based on business plan which involves making judgements regarding key assumptions underlying the estimation of the future taxable profits of the Company. These assumptions, if not met have significant risk of causing a material adjustment to the carrying amount of deferred tax. It is probable that the Company will be able to achieve the profits projected in the business plan.

6. Stores, spares and loose tools

Stores and spares	119,776	118,137
Loose tools	2,867	2,806
	<u>122,643</u>	<u>120,943</u>
Provision against slow moving stores and spares	(10,415)	(10,415)
Capital spares transferred to property, plant and equipment	(32,089)	(25,701)
	<u>80,139</u>	<u>84,827</u>

7. Inventories

Raw materials	106,010	121,426
Packing materials	35,473	16,379
Work in process - preforms	289,201	117,973
Finished goods - bottles	165,857	128,815
	<u>596,541</u>	<u>384,593</u>
Allowance for obsolete stocks	(118)	-
	<u>596,423</u>	<u>384,593</u>

	Note	Un-audited March 31 2023	Audited June 30, 2022
Rupees in thousand			
8. Loans and advances			
Advances to:			
Suppliers and contractors - unsecured		88,389	60,701
Employees - secured	8.1	6,070	14,627
Employees for expenses		5,281	4,883
		<u>99,740</u>	<u>80,211</u>

9. Short term investments

This represents Term Deposit Receipt (TDR) of Bank Al Habib Limited (the Bank) carrying mark up of 6.35% (June 30, 2022: 6.35%) per annum and maturing on November 2, 2023. This has been held as margin against Bank Guarantee issued by the Bank in favor of Sui Northern Gas Pipelines Limited as mentioned in note 14.2.1.

10. Share Capital

10.1 Authorized share capital

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

10.2 Issued, subscribed and paid-up capital

Un-audited March 31 2023	Audited June 30, 2022		Un-audited March 31 2023	Audited June 30 2022
Number of shares			Rupees in thousand	
10,262,664	10,262,664	Ordinary shares of Rs 10/- each issued against cash	102,627	102,627
37,995,753	31,701,177	Ordinary shares of Rs 10/- each issued as fully paid bonus shares	379,957	317,011
<u>48,258,417</u>	<u>41,963,841</u>		<u>482,584</u>	<u>419,638</u>

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

11 Surplus on revaluation of property, plant and equipment

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

	Un-audited March 31 2023	Audited June 30 2022
Note	Rupees in thousand	
Balance at the beginning of the period / year	227,635	160,663
Add: surplus on revaluation carried-out during the period / year	-	89,141
Transfer of surplus to unappropriated profit on disposal of operating fixed assets during the period / year	-	-
Incremental depreciation transferred to unappropriated profits	(21,798)	(22,169)
	205,837	227,635
Less: deferred tax on:		
- Balance as at beginning of the period / year	(44,055)	(39,430)
- Deferred tax on recognition of revaluation surplus for the period / year	-	(11,054)
- Deferred tax on disposal of operating fixed assets	-	-
- Deferred tax on Incremental depreciation charged during the period / year	6,321	6,429
	(37,734)	(44,055)
Balance at the end of the period / year	168,103	183,580
	Un-audited	Audited
	March 31	June 30
Note	2023	2022
	Rupees in thousand	

12. Long term finances - secured

Loans from banking companies - secured

Askari Bank Limited		-	19,247
Bank Al-Habib Limited - I	12.1	40,000	52,000
Bank Al-Habib Limited - II	12.2	30,347	35,541
PAIR Investment Company Limited	12.3	22,387	26,987
JS Bank Limited		-	13,264
		92,734	147,039
Less: current portion of long term finances		(30,701)	(62,696)
Amount due after December 31, 2023		62,033	84,343

12.1 This represents term loan obtained in year 2019 for letter of credit arrangements of the capital expenditure. Tenor of the loan is five years, including six months grace period. This is repayable in 20 equal quarterly installments started from May 24, 2019. It carries mark-up at 3 months KIBOR plus 1.5% per annum payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs 171,000 thousand on imported / purchased machinery. Principal repayments of the loan were deferred for a period of one year in pursuance of BPRD Circular No. 6 dated April 10, 2020.

12.2 This represents subsidized rate term loan obtained during the year 2020 under Temporary Economic Refinance Facility (TERF) of State Bank of Pakistan (SBP) for letter of credit arrangements of the capital expenditure. Tenor of the loan is six years, including one year grace period. This is repayable in 20 equal quarterly installments starting from March 1, 2022. It carries mark-up at 5% per annum payable on quarterly basis. This loan is secured by specific (first exclusive) charge of Rs 171,000 thousand over imported / purchased machinery. Loan proceeds of subsidized loan has been recognized at present value of future cashflows discounted at market interest rate. The difference between loan proceeds and the present value of future cashflows has been recognized as deferred government grant.

12.3 This represents finance obtained from PAIR Investment Company Limited under sale and lease back arrangement. As per terms of agreement, the Company has an option to repurchase the assets back upon expiry of lease term, accordingly proceeds through this arrangement are classified as a financial liability in accordance with IFRS 9. Tenor of the arrangement is 5 years and with 60 equal monthly installments. It carries mark-up at 3 months KIBOR plus 1.5% per annum. The loan is secured by charge over plant and machinery of the Company amounting to Rs 54,710 thousand.

	Un-audited March 31, 2023	Audited June 30, 2022
	Rupees in thousand	
13. Lease liabilities		
Balance at the beginning of the period / year	177,537	197,417
Additions during the period / year	27,170	74,673
Unwinding of interest on lease liabilities	13,418	17,610
Payments made during the period / year	(87,492)	(112,163)
Balance at the end of the period / year	130,633	177,537
Less: Current portion shown under current liabilities	(55,125)	(108,827)
	75,508	68,710
14. Trade and other payables		
Trade creditors	204,012	280,304
Accrued and other liabilities	97,338	97,046
Payable to provident fund	-	1,527
Advances from customers	69,379	36,994
Sales tax payable	25,238	48,671
Withholding taxes payable	3,946	2,713
Workers' profit participation fund payable	598	8,341
Workers' welfare fund payable	-	2,870
	400,511	478,466
15. Contingencies and commitments		
15.1 Contingencies		
15.1.1	There has been no significant change in the status of contingencies as disclosed in note 23 to the audited financial statements of the company for the year ended June 30, 2022	
15.2 Commitments		
15.2.1	Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 7.15 million (2022: Rs 63.23 million) in favor of the Company's fuel and utility suppliers.	

	Three month period ended		Nine month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
16. Sales - net	Rupees in thousand			
Sales				
- PET Preforms	916,708	616,901	1,697,723	1,667,748
- PET Bottles	1,466,956	876,874	2,869,621	1,704,538
	2,383,664	1,493,775	4,567,344	3,372,286
Less: Sales tax				
- PET Preforms	(138,593)	(90,425)	(252,107)	(243,155)
- PET Bottles	(220,590)	(127,732)	(424,388)	(247,919)
- Sales returns and discounts	-	(2,191)	(1,358)	(4,631)
	(359,183)	(220,348)	(677,853)	(495,705)
	2,024,481	1,273,427	3,889,491	2,876,581
17. Cost of sales				
Raw material consumed	1,125,440	825,053	2,731,648	1,962,244
Packing material consumed	76,680	44,030	157,441	97,041
Stores, spares and loose tools consumed	30,290	20,406	75,166	36,297
Salaries, wages and other benefits	85,611	64,599	224,912	173,641
Utilities	161,008	108,293	384,415	272,757
Travelling and conveyance	5,376	2,916	13,465	7,295
Vehicle running and maintenance	3,561	4,727	10,856	11,023
Rent	11,345	7,214	26,491	16,291
Repair and maintenance	3,564	1,975	8,487	6,148
Safety and security	3,568	2,686	10,288	7,604
Medical	2,089	1,891	6,790	5,246
Communication charges	632	496	1,838	1,837
Printing, postage and stationery	893	718	2,561	1,857
Technical testing and analysis	265	142	691	607
Fees, subscription and professional charges	855	109	1,969	706
Entertainment	188	272	610	708
Staff welfare & support	2,184	1,177	4,955	3,402
Depreciation	35,013	30,859	99,810	90,410
Other expenses	(752)	16	168	105
	1,547,811	1,120,041	3,762,562	2,701,621
Work-in-process - opening	474,586	271,448	117,973	203,474
Work-in-process - closing	(289,201)	(247,081)	(289,201)	(247,081)
	185,385	24,367	(171,228)	(43,607)
Cost of goods manufactured	1,733,196	1,144,408	3,591,334	2,658,014
Finished goods - opening	119,189	62,198	128,815	43,929
Finished goods - closing	(165,857)	(97,315)	(165,857)	(97,315)
	(46,668)	(35,117)	(37,042)	(53,386)
Freight charges	34,212	13,046	69,690	30,566
	1,720,740	1,122,337	3,623,982	2,635,194

	Three month period ended		Nine month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022

Rupees in thousand

**18. Earnings/ (loss) per share -
 basic and dilute**

18.1 Basic

Profit/ (Loss) after taxation (Rupees in '000')	140,980	60,976	(22,976)	45,494
Weighted average number of ordinary shares	48,258,417	48,258,417	48,258,417	48,258,417
Earnings/ (Loss) per share - basic (Rupees) - Restated	2.92	1.26	(0.48)	0.86

18.2 Diluted

There is no dilution effect on the basic earnings per share of the Company as the Company has no convertible potential dilutive instruments outstanding as on March 31, 2023 which would have effect on the basic EPS, if the option to convert would have been exercised.

19. Cash and cash equivalents

	Un-Audited March 31, 2023	Un-Audited March 31, 2022
Cash and bank balances	35,897	10,790
Short-term running finance	(28,525)	(34,394)
	7,372	(23,604)

Rupees in thousand

20. Financial Risk Management

Financial risk factors

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

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

Fair value estimation

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

Fair value hierarchy

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

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

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

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

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

21. Transactions and balances with related parties

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

	Three-month period ended		Nine month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Rupees in thousand			
Transactions during the period				
Contribution to staff provident fund	6,701	2,230	16,521	6,727
Contribution to employees' gratuity fund	3,210	3,350	5,245	3,350
Remuneration to key management personnel	16,001	14,954	48,002	44,862
Directors fee	-	2,800	3,200	4,200
Bonus shares issued	-	-	15%	10%
			Un-audited	Audited
			March 31,	June 30,
			2023	2022
			Rupees in thousand	
Payable / as on date of statement of financial position with:				
Ecopack Employees' Provident Fund Trust			-	1,527
Ecopack - Employees' Gratuity Fund Trust			34,391	33,418

23. 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.

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

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

25. General

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

26. Date of authorization for issue

These condensed interim financial statements were authorised for circulation to the shareholders by the Board of Directors of the Company on April 28, 2023.

Chief Financial Officer

Chief Executive Officer

Director

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