Manufacturers Of Quality PET Bottles & Preforms

Eco Pack Ltd

ANNUAL REPORT 2023

CONTENTS

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.

Take a deep breath,
spread your wings and fly...

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. M. Junaid Hameed Dagia	Chairman
Mr. Arif Ahmed Siddiqui	Member
Mr. Omer Tariq	Member
Ms. 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	Habib Bank Limited
JS Bank Limited	Bank of Khyber
Askari Bank Limited	PAIR Investment Co. Ltd.

EXTERNAL AUDITORS

A. F. Ferguson & Co. — Chartered Accountants

INTERNAL AUDITORS (OUTSOURCED)

BDO Ebrahim & Co. — Chartered Accountants

LEGAL ADVISOR

M/s. FGE Ebrahim Hosain — Advocate & Corporate Counsel

SHARE REGISTRAR

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

REGISTERED OFFICE AND FACTORY

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

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
GM HR, Supply Chain & Admin

DIRECTORS' PROFILE

MUHAMMAD KAMRAN NASIR

Chairman of the Board

Mr. Nasir is a Chartered Accountant from the Institute of Chartered Accountants of England & Wales (ICAEW) and also a Chartered Certified Accountant from the Association of Chartered Certified Accountants U.K. Mr. Nasir is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

Mr. Nasir is the Chief Executive of OBS Healthcare (Pvt.) Limited, the holding company of OBS Group. His role includes overseeing the business affairs of all group entities including consolidating and expanding the group locally as well as internationally. He also manages relationships with the principals of the group which include Fortune 500 pharmaceutical companies Johnson & Johnson, Sandoz, Bayer and Pfizer amongst others.

Mr. Nasir held various C-Suit Level positions within the Financial Sector and Multinational Companies. Among which most notable was being CEO of JS Global Capital Limited for more than a decade during which the company performed exceptionally well under his leadership. He also had been associated with KPMG where he was primarily involved in audits of Financial Sector Institutions, particularly leading Commercial Banks.

Mr. Nasir brings with him rich experience of Capital Markets/Investment Banking as well as handling complex financial matters besides being a strategist and a change management champion. His Investment Banking experience ranges from advising companies on mergers and acquisitions, divestitures, debt-raising, to re-profiling, including taking companies public. On the Capital Markets side, he has been instrumental in routing hundreds of millions of dollars as portfolio investments into the Pakistan Stock Exchange.

Mr. Nasir also has been a notable speaker in many public/commercial speaking events, ranging from specialized topics to covering Pakistan Capital Markets/Economy on Electronic/Print Media. He has a wide experience of engaging with Global Fund Managers and conducted various Road Shows in all the global financial hubs including London, New York, Middle East, Singapore and Hong Kong to showcase the Pakistan Corporate Sector. He played a key role in helping the country regain its Emerging Market Status with unprecedented efforts made with the MoF/GoP and PSX. As a speaker he has been at the forefront in presenting the Pakistan Narrative to the foreign fund managers on the back of improving Economic environment, Security and the tremendous potential that Pakistan offers. Due to his diverse experience, he is routinely invited by the Apex and Frontline Regulatory Bodies in Pakistan to deliberate on a host of technical and specialized policy matters.

HUSSAIN JAMIL

Chief Executive Officer/Director

Hussain is the CEO of EcoPack Ltd., and has over 49 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 Food & Beverage industry in Pakistan. He has presented and participated in various international conferences and industrial exhibitions on PET and Plastic Packaging. He has strong and time-tested relationships with all major international vendors of machinery and equipment in this field.

Hussain is a honours graduate from the University of Karachi and is also a Certified Director from the Pakistan Institute of Corporate Governance (PICG).

DIRECTORS' PROFILE

AMEEN JAN
Non-Executive Director

Ameen Jan has 25 years of global professional experience across multiple sectors, including FMCG. He is currently CEO of Ontex Pakistan, which manufactures and sells hygienic disposable products for babies, adults and women. He has had a versatile career trajectory that spans multiple sectors - management consulting, government/international organizations, and technology entrepreneurship - and has worked extensively in North America, Europe, Middle East, Asia, and Africa. He has held corporate leadership positions which involve full P&L responsibility in Pakistan for the past ten years.

OMER TARIQ
Non-Executive Director

Mr. Omer Tariq joined indemnifier Pvt Ltd in June 2018 as their Director Sales, he completed his under graduate programme in BSc Management from Case Business School, City University London in 2018.

Mr. Tariq also co-founded “Unicorn Electronics” a private e-bike sharing solution designed to cater real estate developments, resorts, colleges and corporate campuses.

He has been actively participating in agriculture endeavors in the province of Sindh since 2016. He strives to introduce innovative agriculture techniques for better produce.

ARIF AHMED SIDDIQUI
Non-Executive Director

Arif Siddiqui is a fellow member of the institute of Chartered Accountants of Pakistan having more than 20 years of post-qualification experience. He has vast experience of dealing, accounts, finance, taxation and company law related matters. Mr. Siddiqui has worked as a CFO for investment bank, leasing company, mutual funds and equity brokerage house, trading and manufacturing companies.

DIRECTORS' PROFILE

MUHAMMAD JUNAID HAMEED DAGIA

Non-Executive Director

Mr. Junaid Dagia completed his Bachelor in Commerce from University of Karachi and did his MBA from Newport University. He possesses more than 20 years of vast experience in respect of the following:

As a Chief Executive Officer of the Crosby Pakistan (Pvt.) Ltd. that is an Investment company.

As a Chief Executive Officer of the Technology Trade (Pvt.) Ltd. that was Pakistan's leading Computer balloter, Share Registrar and Transfer Agent. Now it has been reorganized to work as investment management in listed companies.

As a Managing Director of the DATA recall that is leading record storage and Management Services Provider.

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.

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

1992
EcoPack was converted into a public limited company

1993
EcoPack started commercial production

1994
EcoPack was successfully listed on the Karachi Stock Exchange

1999
EcoPack sets up its second factory for blowing PET bottles in Karachi (Southern Pakistan) to meet growing demand thus covering the complete breadth of the market

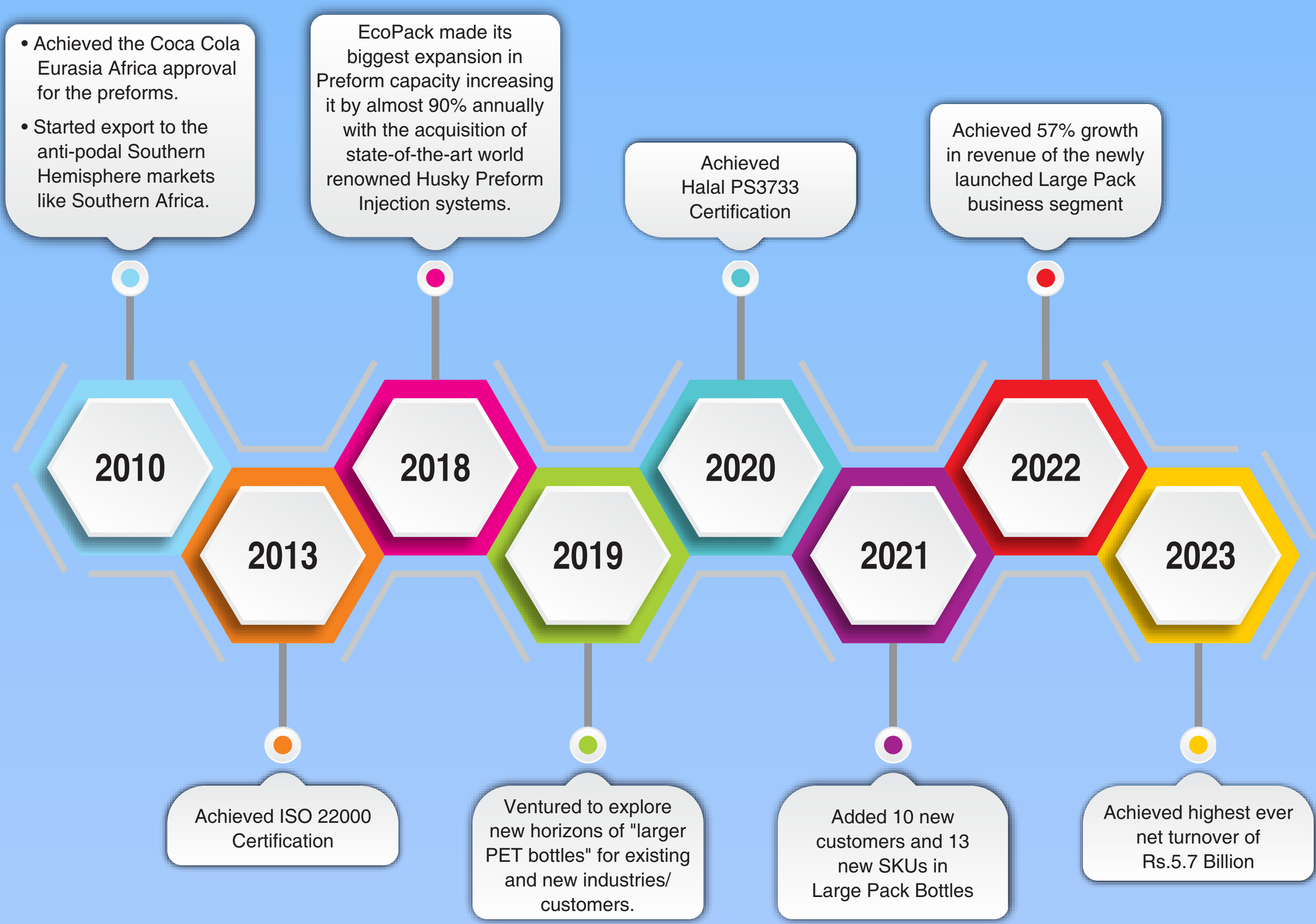
2000
EcoPack introduced the first 1 piece bottle for the carbonated soft drink (CSD) PET bottle in Pakistan, replacing the 2-piece generic base cup cylindrical bottle

2005
- EcoPack successfully introduced the first single-serve 500 ml CSD bottle in the Pakistani market.
- Achieved ISO 9001 Certification.

2007
EcoPack installed an on premise complete bottle blowing line inside a Multinational Beverage Plant in Islamabad under a "through-thewall" bottle supply arrangement

2008
- Consolidated the production units in Hattar to cater to the large population region of the country.
- Started export of preforms to the regional markets i.e India, Afghanistan and Central Asia.

OUR HISTORY & MILESTONES



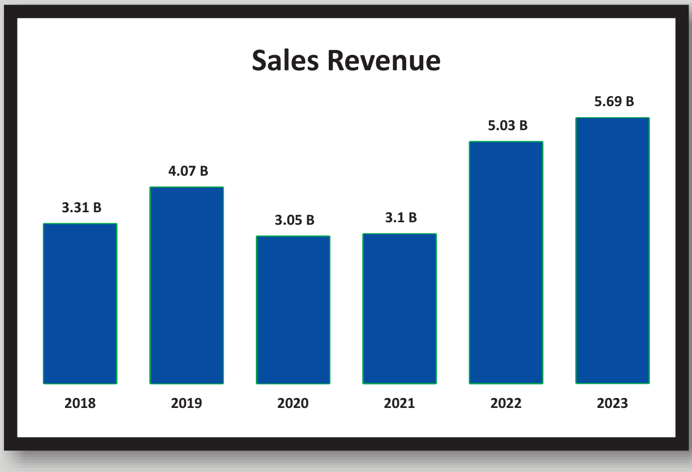
CORPORATE SOCIAL RESPONSIBILITY (CSR)

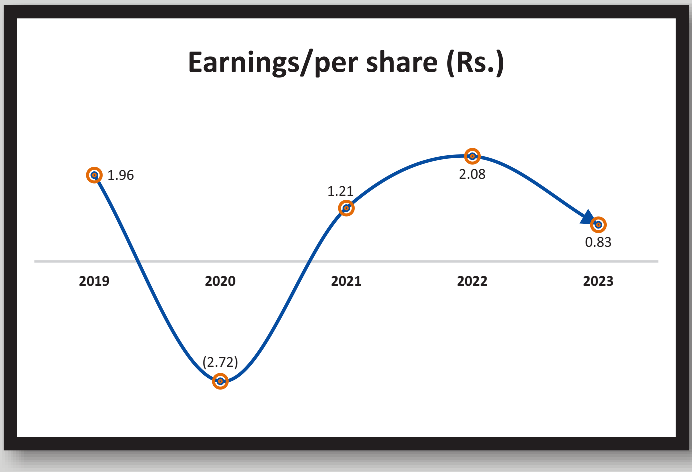
- EcoPack received the Pakistan Centre for Philanthropy Award for donations in 2008-09.
- EcoPack regularly donates to renowned leading Pakistani philanthropic organizations such as Sindh Institute of Urology and Transplantation, Layton Rahmatulla Benevolent Trust, Shaukat Khanum Memorial Trust, the 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.

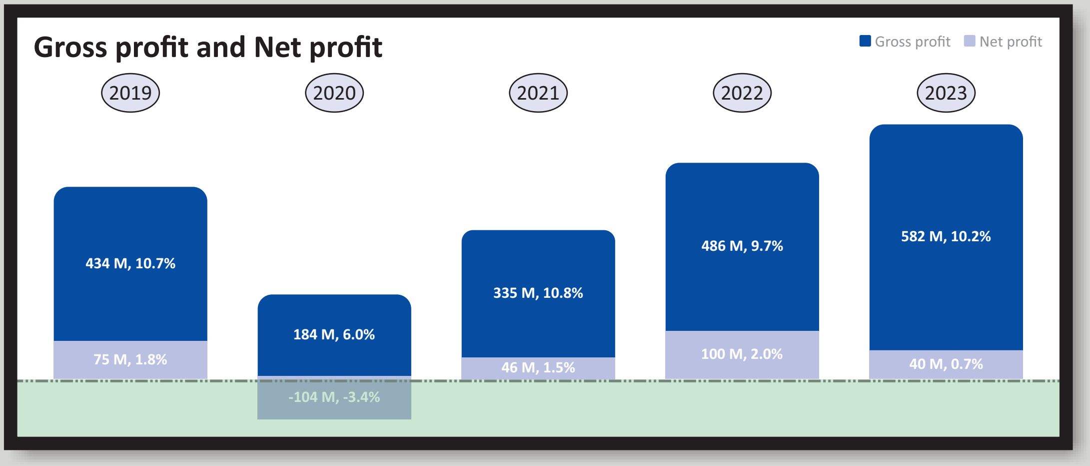
SUMMARY OF FINANCIALS

	2023	2022	2021	2020	2019
		Rupees in '000			
Summary of Statement of Financial Position					
Share capital	**482,584**	419,638	381,489	381,489	346,809
Reserves	**692,737**	611,415	468,580	423,140	560,613
Shareholders' funds / Equity	**1,175,321**	1,031,053	850,069	804,629	907,422
Long term borrowings	**105,670**	153,053	247,214	287,476	267,303
Employee benefits	**43,738**	33,418	33,979	104,884	126,996
Deferred tax liabilities - net	**32,825**	16,714	22,145	49,311	129,234
Property, plant & equipment	**1,548,259**	1,424,091	1,336,883	1,408,042	1,426,872
Long term assets	**1,565,743**	1,441,177	1,354,383	1,426,356	1,463,845
Current assets	**1,410,539**	1,060,720	787,402	648,567	1,067,725
Summary of Profit and Loss					
Sales	**5,689,493**	5,025,212	3,100,689	3,053,947	4,074,873
Gross profit	**582,044**	486,475	335,411	183,977	433,994
Operating profit	**304,866**	268,108	159,162	12,332	235,919
Profit / (loss) before tax	**80,996**	145,718	66,503	(144,881)	108,831
Profit / (loss) after tax	**40,143**	100,179	46,114	(103,700)	74,811
EBITDA	**454,187**	401,486	288,655	147,675	369,095
Summary of Cash Flows					
Net cash flow from operating activities	**(134,411)**	249,390	(34,796)	439,442	71,980
Net cash flow from investing activities	**(72,567)**	(64,879)	(78,116)	(98,488)	(191,635)
Net cash flow from financing activities	**241,205**	(187,695)	161,702	(383,195)	79,424
Changes in cash & cash equivalents	**34,227**	(3,184)	48,790	(42,241)	(40,231)
Summary of Actual Production (Units)					
Preforms	**432,383**	456,581	420,473	376,837	467,866
Bottles	**186,591**	181,896	130,195	134,505	176,535

BUSINESS PERFORMANCE







As Unique As Your Product

HORIZONTAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000
ASSETS									
Non-Current Assets									
Property, plant and equipment	**1,548,259**	8.72%	1,424,091	6.52%	1,336,883	(5.05)%	1,408,042	(1.32)%	1,426,872
Intangibles	**3,663**	(18.18)%	4,477	(15.38)%	5,291	(13.33)%	6,105	(7.82)%	6,623
Advance for capital expenditure	**-**	0.00%	-	0.00%	-	0.00%	-	(100.00)%	18,207
Long-term deposits	**13,821**	9.61%	12,609	3.28%	12,209	0.00%	12,209	0.54%	12,143
	1,565,743	8.64%	1,441,177	6.41%	1,354,383	(5.05)%	1,426,356	(2.56)%	1,463,845
Current Assets									
Inventories	**586,498**	24.94%	469,420	6.11%	442,389	48.65%	297,598	(23.31)%	388,069
Trade debts	**545,334**	23.79%	440,522	93.06%	228,181	6.28%	214,694	(46.69)%	402,706
Loans and advances	**181,840**	126.70%	80,211	102.96%	39,521	26.74%	31,183	(74.78)%	123,641
Deposits, prepayments and other receivables	**12,539**	171.94%	4,611	(2.35)%	4,722	(36.02)%	7,381	(47.18)%	13,973
Advance tax - net	**-**	(100.00)%	33,116	(9.93)%	36,767	(52.52)%	77,433	(25.42)%	103,823
Short term investments	**-**	(100.00)%	7,125	0.00%	7,125	0.00%	-	0.00%	-
Cash and bank balances	**84,328**	227.93%	25,715	(10.39)%	28,697	41.52%	20,278	(42.90)%	35,513
	1,410,539	32.98%	1,060,720	34.71%	787,402	21.41%	648,567	(39.26)%	1,067,725
Total assets	**2,976,282**	18.96%	2,501,897	16.81%	2,141,785	3.22%	2,074,923	(18.04)%	2,531,570
EQUITY AND LIABILITIES									
Equity									
Issued, subscribed and paid-up capital	**482,584**	15.00%	419,638	10.00%	381,489	0.00%	381,489	10.00%	346,809
Revaluation surplus on property and plant	**273,254**	48.85%	183,580	51.43%	121,233	(12.52)%	138,582	(4.40)%	144,962
Unappropriated profits	**419,483**	(1.95)%	427,835	23.17%	347,347	22.07%	284,558	(31.54)%	415,651
	1,175,321	13.99%	1,031,053	21.29%	850,069	5.65%	804,629	(11.33)%	907,422
Non-Current Liabilities									
Long term finances - secured	**54,530**	(35.35)%	84,343	(39.54)%	139,511	51.95%	91,816	37.72%	66,667
Deferred grant	**936**	(47.50)%	1,783	(17.15)%	2,152	(31.09)%	3,123	0.00%	-
Lease liabilities	**51,140**	(25.57)%	68,710	(36.20)%	107,703	(44.95)%	195,660	(2.48)%	200,636
Deferred tax liabilities - net	**32,825**	96.39%	16,714	(24.52)%	22,145	(55.09)%	49,311	(61.84)%	129,234
	139,431	(18.72)%	171,550	(36.82)%	271,511	(20.12)%	339,910	(14.28)%	396,537
Current Liabilities									
Employee benefits	**43,738**	30.88%	33,418	(1.65)%	33,979	(67.60)%	104,884	(17.41)%	126,996
Trade and other payables	**400,186**	(9.35)%	441,472	113.56%	206,718	(12.02)%	234,954	20.25%	195,388
Contract liabilities	**20,296**	(45.14)%	36,994	528.08%	5,890	25.03%	4,711	(41.58)%	8,064
Unclaimed dividend	**3,396**	15.63%	2,937	6.37%	2,761	1.54%	2,719	7.60%	2,527
Taxation - net	**3,820**	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Short term borrowings	**1,124,271**	85.27%	606,842	1.98%	595,040	13.30%	525,209	(28.80)%	737,682
Current portion of non-current liabilities	**65,823**	(62.94)%	177,631	1.03%	175,817	203.62%	57,907	(63.11)%	156,954
	1,661,530	27.88%	1,299,294	27.36%	1,020,205	9.65%	930,384	(24.21)%	1,227,611
	2,976,282	18.96%	2,501,897	16.81%	2,141,785	3.22%	2,074,923	(18.04)%	2,531,570

VERTICAL ANALYSIS

STATEMENT OF FINANCIAL POSITION

	2023		2022		2021		2020		2019	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
ASSETS										
Non-Current Assets										
Property, plant and equipment	**1,548,259**	52.02%	1,424,091	56.92%	1,336,883	62.42%	1,408,042	67.86%	1,426,872	56.36%
Intangibles	**3,663**	0.12%	4,477	0.18%	5,291	0.25%	6,105	0.29%	6,623	0.26%
Advance for capital expenditure	**-**	0.00%	-	0.00%	-	0.00%	-	0.00%	18,207	0.72%
Long-term deposits	**13,821**	0.46%	12,609	0.50%	12,209	0.57%	12,209	0.59%	12,143	0.48%
	1,565,743	52.61%	1,441,177	57.60%	1,354,383	63.24%	1,426,356	68.74%	1,463,845	57.82%
Current Assets										
Inventories	**586,498**	19.71%	469,420	18.76%	442,389	20.66%	297,598	14.34%	388,069	15.33%
Trade debts	**545,334**	18.32%	440,522	17.61%	228,181	10.65%	214,694	10.35%	402,706	15.91%
Loans and advances	**181,840**	6.11%	80,211	3.21%	39,521	1.85%	31,183	1.50%	123,641	4.88%
Deposits, prepayments and other receivables	**12,539**	0.42%	4,611	0.18%	4,722	0.22%	7,381	0.36%	13,973	0.55%
Taxation - net	**-**	0.00%	33,116	1.32%	36,767	1.72%	77,433	3.73%	103,823	4.10%
Short term investments	**-**	0.00%	7,125	0.28%	7,125	0.33%	-	0.00%	-	0.00%
Cash and bank balances	**84,328**	2.83%	25,715	1.03%	28,697	1.34%	20,278	0.98%	35,513	1.40%
	1,410,539	47.39%	1,060,720	42.40%	787,402	36.76%	648,567	31.26%	1,067,725	42.18%
Total assets	**2,976,282**	100.00%	2,501,897	100.00%	2,141,785	100.00%	2,074,923	100.00%	2,531,570	100.00%
EQUITY AND LIABILITIES										
Equity										
Share capital	**482,584**	16.21%	419,638	16.77%	381,489	17.81%	381,489	18.39%	346,809	13.70%
Revaluation surplus on property and plant	**273,254**	9.18%	183,580	7.34%	121,233	5.66%	138,582	6.68%	144,962	5.73%
Accumulated profit	**419,483**	14.09%	427,835	17.10%	347,347	16.22%	284,558	13.71%	415,651	16.42%
	1,175,321	39.49%	1,031,053	41.21%	850,069	39.69%	804,629	38.78%	907,422	35.84%
Non-Current Liabilities										
Long term finances - secured	**54,530**	1.83%	84,343	3.37%	139,511	6.51%	91,816	4.43%	66,667	2.63%
Deferred grant	**936**	0.03%	1,783	0.07%	2,152	0.10%	3,123	0.15%	-	0.00%
Lease liabilities	**51,140**	1.72%	68,710	2.75%	107,703	5.03%	195,660	9.43%	200,636	7.93%
Deferred tax liabilities - net	**32,825**	1.10%	16,714	0.67%	22,145	1.03%	49,311	2.38%	129,234	5.10%
	139,431	4.68%	171,550	6.86%	271,511	12.68%	339,910	16.38%	396,537	15.66%
Current Liabilities										
Employee benefits	**43,738**	1.47%	33,418	1.34%	33,979	1.59%	104,884	5.05%	126,996	5.02%
Trade and other payables	**400,186**	13.45%	441,472	17.65%	206,718	9.65%	234,954	11.32%	195,388	7.72%
Contract liabilities	**20,296**	0.68%	36,994	1.48%	5,890	0.28%	4,711	0.23%	8,064	0.32%
Unclaimed dividend	**3,396**	0.11%	2,937	0.12%	2,761	0.13%	2,719	0.13%	2,527	0.10%
Taxation - net	**3,820**	0.13%	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Short term borrowings	**1,124,271**	37.77%	606,842	24.26%	595,040	27.78%	525,209	25.31%	737,682	29.14%
Current portion of non-current liabilities	**65,823**	2.21%	177,631	7.10%	175,817	8.21%	57,907	2.79%	156,954	6.20%
	1,661,530	55.83%	1,299,294	51.93%	1,020,205	47.63%	930,384	44.84%	1,227,611	48.49%
	2,976,282	100.00%	2,501,897	100.00%	2,141,785	100.00%	2,074,923	100.00%	2,531,570	100.00%

HORIZONTAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

	2023	23 vs 22	2022	22 vs 21	2021	21 vs 20	2020	20 vs 19	2019
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000
Sales - net	**5,689,493**	13.22%	5,025,212	62.07%	3,100,689	1.53%	3,053,947	(25.05)%	4,074,873
Cost of sales	**(5,107,449)**	12.53%	(4,538,737)	64.13%	(2,765,278)	(3.65)%	(2,869,970)	(21.17)%	(3,640,879)
Gross profit	**582,044**	19.65%	486,475	45.04%	335,411	82.31%	183,977	(57.61)%	433,994
Selling expenses	**(136,965)**	31.05%	(104,510)	73.06%	(60,388)	(5.48)%	(63,891)	(15.46)%	(75,574)
Administrative expenses	**(133,277)**	18.52%	(112,448)	12.40%	(100,046)	4.45%	(95,786)	(4.83)%	(100,650)
Other expenses	**(12,898)**	(155.61)%	(10,153)	(66.27)%	(30,097)	(282.75)%	(30,416)	(18.26)%	(38,367)
Other income - net	**5,646**	(234.10)%	9,618	(29.47)%	13,636	(144.83)%	16,469	(20.72)%	20,149
Impairment loss on trade debts	**316**	(136.16)%	(874)	(235.29)%	646	(67.36)%	1,979	(154.47)%	(3,633)
Operating profit	**304,866**	13.71%	268,108	68.45%	159,162	1190.64%	12,332	(94.77)%	235,919
Finance cost	**(223,870)**	82.92%	(122,390)	32.09%	(92,659)	(41.06)%	(157,213)	23.70%	(127,088)
Profit before taxation	**80,996**	(44.42)%	145,718	119.11%	66,503	(145.90)%	(144,881)	(233.12)%	108,831
Taxation	**(40,853)**	(10.29)%	(45,539)	123.35%	(20,389)	(149.51)%	41,181	(221.05)%	(34,020)
Profit after taxation	**40,143**	(59.93)%	100,179	117.24%	46,114	(144.47)%	(103,700)	(238.62)%	74,811

VERTICAL ANALYSIS

STATEMENT OF PROFIT OR LOSS

	2023		2022		2021		2020		2019	
	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%	Rs. In '000	%
Sales - net	**5,689,493**	*100.00%*	5,025,212	*100.00%*	3,100,689	*100.00%*	3,053,947	*100.00%*	4,074,873	*100.00%*
Cost of sales	**(5,107,449)**	*(89.77)%*	(4,538,737)	*(90.32)%*	(2,765,278)	*(89.18)%*	(2,869,970)	*(93.98)%*	(3,640,879)	*(89.35)%*
Gross profit	**582,044**	*10.23%*	486,475	*9.68%*	335,411	*10.82%*	183,977	*6.02%*	433,994	*10.65%*
Selling expenses	**(136,965)**	*(2.41)%*	(104,510)	*(2.08)%*	(60,388)	*(1.95)%*	(63,891)	*(2.09)%*	(75,574)	*(1.85)%*
Administrative expenses	**(133,277)**	*(2.34)%*	(112,448)	*(2.24)%*	(100,046)	*(3.23)%*	(95,786)	*(3.14)%*	(100,650)	*(2.47)%*
Other expenses	**(12,898)**	*0.10%*	(10,153)	*(0.20)%*	(30,097)	*(0.97)%*	(30,416)	*0.54%*	(38,367)	*0.49%*
Other income - net	**5,646**	*(0.23)%*	9,618	*0.19%*	13,636	*0.44%*	16,469	*(1.00)%*	20,149	*(0.94)%*
Impairment loss on trade debts	**316**	*0.01%*	(874)	*(0.02)%*	646	*0.02%*	1,979	*0.06%*	(3,633)	*(0.09)%*
Operating profit	**304,866**	*5.36%*	268,108	*5.34%*	159,162	*5.13%*	12,332	*0.40%*	235,919	*5.79%*
Finance cost	**(223,870)**	*(3.93)%*	(122,390)	*(2.44)%*	(92,659)	*(2.99)%*	(157,213)	*(5.15)%*	(127,088)	*(3.12)%*
Profit before taxation	**80,996**	*1.42%*	145,718	*2.90%*	66,503	*2.14%*	(144,881)	*(4.74)%*	108,831	*2.67%*
Taxation	**(40,853)**	*(0.72)%*	(45,539)	*(0.91)%*	(20,389)	*(0.66)%*	41,181	*1.35%*	(34,020)	*(0.83)%*
Profit after taxation	**40,143**	*0.71%*	100,179	*1.99%*	46,114	*1.49%*	(103,700)	*(3.40)%*	74,811	*1.84%*

NOTICE OF ANNUAL GENERAL MEETING

Please be informed that on December 19, 2022, the High Court of Sindh ("SHC") granted an ad-interim stay order in Suit 1954 with a direction to maintain status quo in respect of, inter alia, certain shareholding in the Company and position of the incumbent CEO of the Company. The said ad-interim order was modified on March 28, 2023, to the extent that that the accounts of the Company be placed before the Board for their approval and that other important affairs/ matters of the Company be taken care of without prejudice to the claim/case of Plaintiff in Suit 1954.

In compliance with the foregoing orders of the SHC, Notice is hereby given that the 32nd Annual General Meeting of EcoPack Limited will be held on Friday 27 October, 2023 at 10:00 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 31st Annual General Meeting held on October 28, 2022.

2. To receive and adopt the Chairman's Review, Directors' and Auditor's reports together-with Financial Statements of the company for the year ended June 30, 2023, as approved by the Board of Directors in its meeting held on September 27, 2023.

3. To appoint external auditors and fix their remuneration for the year ending June 30, 2024. The present auditors M/s. A. F. Ferguson & Co. Chartered Accountants having retired and being eligible have offered themselves for re-appointment.

4. 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

HUSSAIN JAMIL
Chief Executive Officer

Dated: September 27, 2023

NOTES:

1. **Closure of Shares Transfer Books:**

The share transfer books of the company will remain closed from October 14, 2023 to October 27, 2023. (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 13, 2023 shall be treated in time for the purpose of Annual General Meeting and entitlement of Dividend if approved by the shareholders.

2. **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.

3. **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 5, Industrial Estate Hattar) at least 48 hours before the time of the Meeting.

4. **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.

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).

i. Shareholders Details	
Name of the Shareholder(s)	
Folio # /CDS Account No(s)	
CNIC No (Copy attached)	
Mobile / Landline No	
ii. Shareholders' Bank Details	
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.

5. 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 14, 2023 (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: awais_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:

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

6. 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

7. **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.

8. **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

9. **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.

10. **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

As we reflect on the economic landscape of our country, we continue to face formidable challenges. The country's economy continued to deteriorate throughout the time under consideration. The ever-looming threat of defaulting on our fiscal liabilities compelled the State Bank of Pakistan to increase its Policy Rate to 22% to counter inflation and the accelerating PAK rupee devaluation. Our foreign exchange reserves, primarily driven by remittances, provided a small cushion against susceptibilities. Worldwide commodity inflation in wake of the geo-political turmoil following the invasion of Ukraine further exacerbated our macro-economic conditions as our balance of payments remained a concern due to higher imports, particularly of fuel and machinery. Being cognizant of the present difficulties, the Board and management are taking appropriate measures to lessen the vulnerability of the company.

I am pleased to observe that under the guidance of the Board, the company's management was able to achieve profit after tax of over Rs. 40.1 million. Despite the challenging business environment, your Company has demonstrated considerable resilience in retaining its market share, shown considerable agility in managing it's affair, and delivered positive results in the face of huge inflationary headwinds and general instability.

During the year, your Company under the guidance of its Board of Directors continued to conduct its operations with integrity, transparency, and responsibility as being critical to retaining stakeholders' trust. EcoPack remains committed in terms of business continuity, employee wellbeing, meeting its obligations in time with a keen focus on strategic opportunities and important priorities of innovation and performance while mitigating the negative externalities.

Implementing procedures that support good Corporate Governance enhances the confidence and trust of stakeholders and potential investors, which in turn allows us to develop stronger and longstanding relationships. I am pleased to inform you that the Board and its sub-committees are meeting regularly and are resolved to pro-actively face any new hurdles and steer your Company forward. 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.

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 alleged removal as the CEO and acquisition of shares in the Company by certain shareholders in alleged violation of takeover laws. The matter is being contested on merit and is pending.

On behalf of the Board, I would like to appreciate the management team at EcoPack for achieving the much needed stability, and I wish them every success in their future endeavors.

Muhammad Kamran Nasir
Chairman of the Board of Directors
EcoPack Ltd.

Karachi
September 27, 2023

چیئرمین جائزہ رپورٹ :

ملکی معاشی منظر نامے کے پیش نظر ہم شدید مشکل حالات کا سامنا کر رہے ہیں۔ مذکورہ مدت کے دوران ملکی معیشت کی خرابی کا تسلسل بر قرار رہا ہے۔ ہماری مالی ذمہ داریوں پر نادہندہ ہونے کے خطرے نے اسٹیٹ بینک آف پاکستان کو قومی افراط زر اور پاکستانی روپے کی قدر میں تیزی سے کمی کا مقابلہ کرنے کے لیے پالیسی ریٹ کو 22 فیصد تک بڑھانے پر مجبور کیا۔ ہمارے زرمبادلہ کے ذخائر جن کا بیشتر انحصار ترسیلات زر پر ہے، عدم استحکام کے مقابلہ میں کسی حد تک تحفظ فراہم کرتے ہیں۔ یوکرین حملے کے بعد پیدا ہونے والی جغرافیائی وسیاسی افراتفری، اور اس کے نتیجہ میں عالمی سطح پر اجناس کی بڑھتی ہوئی قیمتوں نے بڑے پیمانے پر ہمارے اقتصادی حالات میں مزید خرابی پیدا کر دی کیونکہ زیادہ درآمدات خصوصاً ایندھن اور مشینری کی ادائیگیوں کا توازن تشویش کا باعث بنا۔ موجودہ مشکلات کی آگائی سے بورڈ اور انتظامیہ کمپنی کی خامیوں کو دور کرنے کے لئے مناسب اقدامات کر رہی ہے۔

مجھے یہ دیکھ کر خوشی ہوئی کہ بورڈ کی رہنمائی میں کمپنی کی انتظامیہ 40.1 ملین روپے سے زائد کا بعد از ٹیکس منافع حاصل کرنے میں کامیاب رہی۔ مشکل کاروباری صورتحال کے باوجود، آپ کی کمپنی نے نہ صرف اپنے مارکیٹ شیئر کو بر قرار رکھنے میں کافی لچک کا مظاہرہ کیا ہے بلکہ اپنے معاملات کو سنبھالنے میں بھی کافی مستعدی دکھائی ہے اور باوجود مہنگائی کی شدید لہر اور عمومی عدم استحکام کے مثبت نتائج حاصل کیے۔

دورانِ سال، آپ کی کمپنی نے اپنے بورڈ آف ڈائریکٹرز کی رہنمائی میں ایمانداری، شفافیت اور ذمہ داری کے ساتھ اپنے معاملات کو جاری رکھا جو کہ تمام متعلقین کے اعتماد کو بر قرار رکھنے کے لئے اہم ہے۔ ایکوپیک کاروباری تسلسل، ملازمین کی فلاح وبہبود، حکمت عملی اور بہتر کارکردگی جیسی اہم ترجیحات پر گہری توجہ کے ساتھ ساتھ اپنی ذمہ داریوں کو بروقت پورا کرنے اور منفی بیرونی پہلوؤں کو کم کرنے کے حوالے سے پر عزم ہے۔

بہتر کارپوریٹ گورننس کے طریقہ کار کو نافذ کرنا متعلقین اور ممکنہ سرمایہ کاروں کے اعتماد کو بڑھاتا ہے، جس کے نتیجے میں ہمیں مضبوط اور دیرینہ تعلقات استوار کرنے کا موقع ملتا ہے۔ مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ اور اس کی ذیلی کمیٹیاں باقاعدگی سے میٹنگ کر رہی ہیں اور کسی بھی نئی رکاوٹ کا بہتر انداز سے سامنا کرنے اور آپ کی کمپنی کو آگے بڑھانے کے لیے پر عزم ہیں۔ میں اپنے ساتھی ڈائریکٹرز کے عزم، کمپنی کے لئے سمت کا تعین اور اس کے نتائج، ہماری حکمت عملی، غور وفکر اور نگرانی میں ان کے حاصل تعاون کی تعریف کرنا چاہتا ہوں۔

کمپنی کے سی ای او کی جانب سے کمپنی، کچھ شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کے خلاف سندھ ہائی کورٹ میں 2022 کا سول مقدمہ نمبر 1954 دائر ہے جس کا فیصلہ زیر التوا ہے۔ اس مقدمے میں موجودہ سی ای او نے دیگر چیزوں کے ساتھ ساتھ ان کی مبینہ طور پر سی ای او کے عہدے سے برطرفی اور کچھ شیئر ہولڈرز کی جانب سے کمپنی میں حصص کے حصول کو چیلنج کیا ہے۔ یہ معاملہ میرٹ کی بنیاد پر لڑا جا رہا ہے اور زیر التوا ہے۔

بورڈ کی جانب سے، میں ایکوپیک کی مینجمنٹ ٹیم کو انتہائی ضروری استحکام کے حصول کے لئے سراہنا چاہتا ہوں، اور میں ان کی مستقبل کی کوششوں میں ان کی کامیابی کے لئے نیک خواہشات کا اظہار کرتا ہوں.

محمد کامران ناصر
چیئرمین بورڈ آف ڈائریکٹرز، ایکوپیک لمیٹڈ
کراچی۔ 27 ستمبر 2023

DIRECTORS' REPORT

The Board of Directors of EcoPack Limited is pleased to present its Directors' Report and audited annual financial statements along with the Auditors Report thereon, for the financial year ended 30th June 2023:

OVERVIEW

The downward spiral in the national economy witnessed in the outgoing financial year substantially worsened on account of the convergence of several over-arching factors: severe political turmoil, a sharply depreciating PKR, rising international crude oil and energy prices, supply-chain disruptions following the Ukraine war. These were the prime factors which coalesced to stoke runaway inflation in the country. They were further exacerbated by swiftly rising interest rates actioned by the SBP to stem rampant inflation in compliance with the strict conditionalities of the IMF to revive the erstwhile stalled program. Accordingly, the annual national Budget for FY2024 featured many new taxes and measures including cancellation/reduction of some subsidies on fuel and electricity, sharp reduction in imports to curtail the excessive CAD and manage the rapidly dwindling FX reserves of the country.

As we entered the Q1FY23 in the backdrop of such socio-economic-political conditions, large parts of the country's geography were hit by the sudden confluence of heavy monsoon rains, an unusual weather system and inexorable flash flooding, thus inundating and devastating large parts of the country. The resulting havoc damaged crops and road infrastructure, while also destroying the homes, livestock, and livelihoods of millions of dislocated people.

Due to rapidly rising inflation and corresponding reduction in the average purchasing power of the consumer, followed by the devastation of unprecedented floods, your company's sales were adversely impacted in the first quarter of the financial year and subsequently also in the winter months of the second quarter when historically beverage sales slow down sharply. Thus, the company suffered a significant half year loss, but fortunately with the advent of spring in Q3FY23 a substantial rebound in fortunes took place. Your company was able to aggressively mount a strong sales effort and pass through most of the costs while cost-efficiently procuring its key raw materials and post a major recovery in Q3 significantly reducing it's “year to date” losses. However, the expectation of traditionally strong beverage sales in

FYQ4 with Ramzan falling mostly in April were suddenly dashed, due to a remarkable change in weather patterns. The peak hot summer months of April & May remained unusually cool in the northern region with the uncanny advent of untimely windstorms & showers, literally dampening the earlier sales momentum that was building up.

Nevertheless, your company managed to restore its profitability by year end, despite facing the adversities and trials of a turbulent year ridden by multiple macro-economic, political, worldwide supply chain crises, as well as 'climate change' related unforeseen disasters – completely beyond it's control.

DIRECTORS' REPORT

SALES & FINANCIAL HIGHLIGHTS

Sales revenue increased by 13% from Rs. 5.0 billion to Rs. 5.7 billion as compared to last year. The major factors of this significant growth are: (i) the enhanced sales volumes of bottles by 3% as compared to the FY 2022 and (ii) PET resin (basic raw material) price increased by 32% YoY which is a substantial part of the product price. Despite the tough economic conditions in Pakistan, and huge inflationary headwinds amid widespread import restrictions and Pak rupee devaluation, etc., your management team has succeeded in passing this cost push partially, although this has somewhat compromised our margins. Owing to the terrible floods and dislocation of a large population in the first quarter of FY2023, the sales volume of Preforms fell short of last year by 16% in quantitative terms. Hence, the fixed cost could not be absorbed proportionally as expected. Meanwhile, electricity costs also substantially increased by 38% from Rs. 23.17/unit to Rs. 32.01/unit of electricity. Despite external factors restricting growth, we have succeeded in achieving a gross profit of Rs. 582.0 million against a gross profit of Rs. 486.5 million YoY witnessing a growth of 19.6%. Similarly, Operating profit reflects a growth of 13.7% i.e., an increase of Rs. 36.7 million from Rs. 268.1 million last year to Rs. 304.8 million during the year under review.

Financial charges have significantly increased from Rs. 122.4 million to Rs. 223.8 million, an increase of 83% mainly on account of (1) the sharp increase in KIBOR and the SBP discount rate. KIBOR increased from 15.16% last year to 22.91% during FY 2023, an increase of 51% and (2) the increase in comparatively higher deployment of working capital borrowings due to a sharp rise in the cost of raw & packing materials compared to last year.

Profit before tax (PBT) has been recorded at Rs. 80.9 million against a PBT of Rs. 145.7 million versus last year. Despite growth in operating profit by Rs. 36.7 million, there is a drop in PBT by Rs. 64.7 million, clearly reflecting that owing to the significant increase in financial charges, PBT has decreased. Accordingly, Profit after tax comes to Rs. 40.1 million against a Profit after tax of Rs. 100.2 million compared with last year.

Earnings per share (basic and diluted) for FY 2023 are Rs. 0.83 per share against earnings per share of Rs. 2.08 per share for the corresponding year.

FUTURE OUTLOOK

While cost inflation remains an ongoing hurdle for industry all-round, recent production capacity enhancements in the resilient and growth driven Beverage industry builds positive hope for your company as we expect our capacity utilization to improve with this anticipated growth hike. To achieve a fair share of this market demand, your company is continuously striving to contain its costs and overheads to remain competitive viz peers. The challenge is to enhance capacity utilization without increasing our cost structure and fixed overheads. The reputation it has built up as a reliable and quality conscious vendor over the years places your company at a distinct advantage against most of the competition.

Regular carbonated soft-drinks (CSD) and drinking-water bottles are witnessing a healthy growth spurt, especially 'single serve' 300/330ml & 500ml bottles as a young mobile and active segment of the population consumes to quench its thirst. Several smaller national companies have also entrenched their position in the market growth offering an 'economic value proposition' to cater to an increasingly cost-conscious consumer as purchasing power comes under pressure from all sides. Your company benefits from its position in this value-added bottle segment with several bottling companies near its location.

Another area experiencing robust growth is the Large Containers project your company effectively embarked upon after Covid-19 receded last year. In the past 2 years our order book for Cooking-oil and large drinking-water bottles has grown cumulatively by over 25% annually. Furthermore, Concentrate-based 'Red syrups' drinks have emerged in the summer as a cost-effective affordable counter against rising cost inflation for the big mass of lower middle-class families, both in rural and urban areas.

Your company is at an inflection point with its long-term debt reduced to 13% versus a healthy equity of 87%, to enhance its production capacity in it's traditional business by adding another Preform Injection system and/or a 'product specific' bottle/container blowing line. New areas of investment are also being examined cautiously to respond to the packaging needs of a robust Food & Beverage industry serving a rising population in the coming years.

DIRECTORS' REPORT

RISKS

The prevailing macro-economic and political uncertainty continue to be the main threats to economic recovery in the near to medium term. Rising inflation is a perennial challenge to businesses and consumers with high interest rates fueling cost increases. The weakness of the PKR against hard currencies in a largely import based economy poses difficulties for businesses to undertake stable business plans and prepare consistent roadmaps.

The anticipation of a further hike in interest/discount rates to quell the rise of widespread inflation, remains a heavy burden for growth of businesses and consumer spending alike.

HR & INDUSTRIAL RELATIONS

Despite the rise in manpower and staff attrition compared to previous years due to higher arbitrage in remuneration with the rich markets of the Middle-Eastern countries, your company's management has met this situation through: (1) adjustments in compensation structure and (2) an ongoing in-house 'apprentice training scheme' whereby fresh engineers and diploma-holders are picked up from universities and training institutes in near proximity to our plant. This tried and tested training methodology has been built up and refined by senior staff over the years and is paying useful dividends in these trying times as your company manages to retain critical human resources economically.

Relations between manpower on the floor and management continue to remain exemplary as the company and management pursue a culture of transparency, fair play and evenhandedness across the board at all levels.

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 alleged removal as the CEO and acquisition of shares in the Company by certain shareholders in alleged violation of takeover laws. The matter is being contested on merit and is pending.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

DIRECTOR
Date: September 27, 2023

HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

آپ کی کمپنی اپنے طویل مدتی قرض کو 87 فیصد کی صحت مند ایکویٹی کے مقابلے میں 13 فیصد تک کم کرنے کے ساتھ ایک اہم موڑ پر ہے تاکہ اس کے روایتی کاروبار میں ایک اور Preform Injection System اور / یا 'مصنوعات کی مخصوص' بوتل / کنٹینر بلونگ لائن شامل کر کے اس کی پیداواری صلاحیت میں اضافہ کیا جاسکے۔ سرمایہ کاری کے نئے شعبوں کا بھی محتاط انداز میں جائزہ لیا جا رہا ہے تاکہ آنے والے برسوں میں بڑھتی ہوئی آبادی کی خدمت کرنے والی ایک مضبوط فوڈ اینڈ بیوریج انڈسٹری کی پیکیجنگ کی ضروریات کا احاطہ کیا جاسکے۔

خطرات

موجودہ میکرو اکنامک اور سیاسی غیر یقینی صورتحال مستقبل قریب سے درمیانی مدت میں معاشی بحالی کے لیے سب سے بڑا خطرہ بنی ہوئی ہے۔ بڑھتی ہوئی افراط زر کاروباری اداروں اور صارفین کے لئے ایک مستقل چیلنج ہے جس میں اعلی شرح سود کے ساتھ لاگت میں اضافہ ہوتا ہے۔ بڑے پیمانے پر درآمدات پر مبنی معیشت میں مضبوط کرنسیوں کے مقابلے میں پاکستانی روپے کی کمزوری کاروباری اداروں کے لئے مستحکم کاروباری منصوبوں کو شروع کرنے اور مستقل روڈ میپ تیار کرنے میں مشکلات پیدا کرتی ہے۔

بڑے پیمانے پر افراط زر میں اضافے کو روکنے کے لئے شرح سود / ڈسکاؤنٹ کی شرحوں میں مزید اضافے کی توقع، کاروبار اور صارفین کے اخراجات کی ترقی کے لئے ایک بھاری بوجھ بنی ہوئی ہے۔

ایچ آر اور صنعتی تعلقات

گزشتہ برسوں کے مقابلے میں افرادی قوت اور عملے کے اخراج میں اضافے اور مشرق وسطیٰ کے ممالک کی امیر منڈیوں کے ساتھ معاوضے میں زیادہ ثالثی کے باوجود، آپ کی کمپنی کی انتظامیہ نے اس صورتحال کا مقابلہ کیا ہے: (1) معاوضے کے ڈھانچے میں ایڈ جسٹمنٹ (2) جاری ان ہاؤس 'اپرنٹس ٹریننگ اسکیم' جس کے تحت ہمارے پلانٹ کے قریب یونیورسٹیوں اور تربیتی اداروں سے نئے انجینئرز اور ڈپلومہ ہولڈرز کو منتخب کیا جاتا ہے۔ یہ آزمودہ تربیتی طریقہ کار سالوں سے سینئر عملے کی طرف سے تعمیر اور بہتر بنایا گیا ہے اور اس مشکل وقت میں مفید منافع ادا کر رہا ہے کیونکہ آپ کی کمپنی اہم انسانی وسائل کو معاشی طور پر برقرار رکھنے کا انتظام کرتی ہے۔

فلور پر افرادی قوت اور انتظامیہ کے درمیان تعلقات مثالی ہیں کیونکہ کمپنی اور انتظامیہ ہر سطح پر شفافیت، منصفانہ کھیل اور ہم آہنگی کے کلچر پر عمل پیرا ہیں۔

دیگر معاملات

کمپنی کے سی ای او کی جانب سے کمپنی، کچھ شیئر ہولڈرز اور بورڈ آف ڈائریکٹرز کے خلاف سندھ ہائی کورٹ میں 2022 کا سول مقدمہ نمبر 1954 دائر ہے جس کا فیصلہ زیر التوا ہے۔ اس مقدمے میں موجودہ سی ای او نے دیگر چیزوں کے ساتھ ساتھ ان کی مبینہ طور پر سی ای او کے عہدے سے برطرفی اور کچھ شیئر ہولڈرز کی جانب سے کمپنی میں حصص کے حصول کو چیلنج کیا ہے۔ یہ معاملہ میرٹ کی بنیاد پر لڑا جا رہا ہے اور زیر التوا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

ڈائریکٹر

حُسین جمیل

چیف ایگزیکٹو آفیسر

27 ستمبر 2023

زر کی شدید لہروں کے باوجود، آپ کی مینجمنٹ ٹیم لاگت کے اس دباؤ کو جزوی طور پر پاس کرنے میں کامیاب رہی ہے، حالانکہ اس نے ہمارے مارجن کو کسی حد تک متاثر کیا ہے۔ مالی سال 2023 کی پہلی سہ ماہی میں خوفناک سیلاب اور ایک بڑی آبادی کی نقل مکانی کی وجہ سے Preforms کی فروخت کا حجم مقداری لحاظ سے پچھلے سال کے مقابلے میں 16 فیصد کم رہا۔ لہذا، مقررہ لاگت کو توقع کے مطابق متناسب طور پر جذب نہیں کیا جا سکا .دریں اثناء بجلی کی قیمتوں میں بھی 38 فیصد اضافہ ہوا ہے جو 23.17 روپے فی یونٹ سے بڑھ کر 32.01 روپے فی یونٹ ہوگئی ہے۔ بیرونی عوامل کی وجہ سے شرح نمو متاثر ہونے کے باوجود ہم 582 ملین روپے کا مجموعی منافع حاصل کرنے میں کامیاب رہے ہیں جبکہ مجموعی منافع 486.5 ملین روپے تھا جس میں 19.6 فیصد کا اضافہ دیکھا گیا۔ اسی طرح آپریٹنگ منافع میں 13.7 فیصد اضافہ ہوا یعنی گزشتہ سال کے مقابلے میں 36.7 ملین روپے کا اضافہ ہوا جو 268.1 ملین روپے سے بڑھ کر 304.8 ملین روپے ہو گیا۔

مالیاتی چارجز 122.4 ملین روپے سے بڑھ کر 223.8 ملین روپے ہو گئے ہیں، جس کی بنیادی وجہ (1)KIBOR میں تیزی سے اضافہ اور اسٹیٹ بینک کی ڈسکاؤنٹ ریٹ ہے۔ مالی سال 2023ء کے دوران گزشتہ سال کے 15.16 فیصد سے بڑھ کر 22.91 فیصد ہو گیا، جس میں 51 فیصد کا اضافہ ہوا(2) گزشتہ سال کے مقابلے میں خام مال اور پیکنگ مال کی لاگت میں تیزی سے اضافے کی وجہ سے ورکنگ کیپیٹل قرضوں میں نسبتاً زیادہ اضافہ ہوا۔

قبل از ٹیکس منافع (PBT) 80.9 ملین روپے ریکارڈ کیا گیا ہے جبکہ گزشتہ سال کے PBT کا حجم 145.7 ملین روپے تھا۔ آپریٹنگ منافع میں 36.7 ملین روپے اضافے کے باوجود PBT میں 64.7 ملین روپے کی کمی ہوئی ہے جو واضح طور پر ظاہر کرتی ہے کہ مالیاتی چارجز میں نمایاں اضافے کی وجہ سے PBT میں کمی واقع ہوئی ہے۔ اس لحاظ سے بعد از ٹیکس منافع 40.1 ملین روپے بنتا ہے جبکہ گزشتہ سال کے مقابلے میں 100.2 ملین روپے کا بعد از ٹیکس منافع حاصل ہوا ہے۔

مالی سال 2023ء کے لئے فی حصص آمدنی (basic & diluted) 0.83 روپے فی حصص ہے جبکہ اسی سال کے لئے فی حصص آمدنی 2.08 روپے فی حصص تھی۔

مستقبل کے امکانات

اگرچہ لاگت کی افراط زر صنعت کے لئے ایک مستقل رکاوٹ بنی ہوئی ہے، لچکدار اور ترقی پر مبنی مشروبات کی صنعت میں حالیہ پیداواری صلاحیت میں اضافہ آپ کی کمپنی کے لئے مثبت امید پیدا کرتا ہے کیونکہ ہم توقع کرتے ہیں کہ اس متوقع ترقی میں اضافے کے ساتھ ہماری صلاحیت کے استعمال میں بہتری آئے گی۔ اس مارکیٹ کی طلب کا منصفانہ حصہ حاصل کرنے کے لئے، آپ کی کمپنی مسابقتی رہنے کے لئے اپنے اخراجات اور اوورہیڈز پر قابو پانے کی مسلسل کوشش کر رہی ہے . چیلنج یہ ہے کہ ہماری لاگت کے ڈھانچے اور مقررہ اوورہیڈز میں اضافہ کیے بغیر صلاحیت کے استعمال میں اضافہ کیا جائے۔ سالوں سے ایک قابل اعتماد اور معیار کے بارے میں شعور رکھنے والے فروخت کنندہ کے طور پر اس نے جو ساکھ قائم کی ہے وہ آپ کی کمپنی کو زیادہ تر مسابقت کے مقابلے میں ایک الگ فائدہ دیتی ہے۔

باقاعدگی سے کاربونیٹڈ سافٹ ڈرنکس (سی ایس ڈی) اور پینے کے پانی کی بوتلوں میں اضافہ دیکھا جا رہا ہے، خاص طور پر 'سنگل سرو' 300/330 ملی لیٹر اور 500 ملی لیٹر کی بوتلیں کیونکہ نوجوان آبادی کا فعال حصہ اپنی پیاس بجھانے کے لئے استعمال کرتا ہے۔ کئی چھوٹی قومی کمپنیوں نے بھی مارکیٹ کی ترقی میں اپنی پوزیشن مضبوط کر لی ہے اور بڑھتی ہوئی لاگت کے بارے میں شعور رکھنے والے صارفین کی ضروریات کو پورا کرنے کے لئے 'اقتصادی قدر کی تجویز' پیش کی ہے کیونکہ قوت خرید ہر طرف سے دباؤ میں آتی ہے۔ آپ کی کمپنی اس ویلیو ایڈڈ بوتل سیگمنٹ میں اپنی پوزیشن سے فائدہ اٹھاتی ہے جس میں اس کے مقام کے قریب متعدد بوتل بھرنے والی کمپنیاں ہیں۔

مضبوط ترقی کا سامنا کرنے والا ایک اور شعبہ لارج کنٹینرز پروجیکٹ ہے جو آپ کی کمپنی نے پچھلے سال کووڈ19 کے خاتمے کے بعد مؤثر طریقے سے شروع کیا تھا۔ گزشتہ 2 سالوں میں کھانا پکانے کے تیل اور پینے کے پانی کی بڑی بوتلوں کے لئے ہماری آرڈر بک میں سالانہ 25 فیصد سے زیادہ اضافہ ہوا ہے۔ مزید برآں، دیہی اور شہری علاقوں میں نچلے متوسط طبقے کے خاندانوں کی بڑی تعداد کے لئے بڑھتی ہوئی لاگت افراط زر کے برعکس موسم گرما میں توجہ مرکوز کرنے والے 'سرخ شربت' مشروبات ایک سستے مقابلے کے طور پر ابھرے ہیں۔

ڈائریکٹرز رپورٹ:

ایکو پیک لمیٹڈ کے بورڈ آف ڈائریکٹرز نے 30 جون 2023ء کو ختم ہونے والے مالی سال کے لئے آڈیٹرز رپورٹ کے ساتھ ڈائریکٹرز رپورٹ اور آڈٹ شدہ سالانہ مالی گوشوارے پیش کرنے پر خوشی کا اظہار کیا ہے:

جائزہ

گزشتہ مالی سال کے دوران قومی معیشت میں گراوٹ کا رجحان کئی اہم عوامل کی وجہ سے کافی حد تک خراب ہوا: شدید سیاسی افراتفری، پاکستانی روپے کی قدر میں تیزی سے کمی، خام تیل اور توانائی کی بین الاقوامی قیمتوں میں اضافہ، یوکرین جنگ کے بعد سپلائی چین میں خلل، وہ اہم عوامل تھے جنہوں نے ملک میں بڑھتی ہوئی افراط زر کو ہوا دی۔ اسٹیٹ بینک کی جانب سے مہنگائی کو روکنے کے لیے کی جانے والی شرح سود میں تیزی سے اضافے کی وجہ سے ان میں مزید اضافہ ہوا اور آئی ایم ایف کی جانب سے ماضی میں تعطل کا شکار پروگرام کو بحال کرنے کی سخت شرائط پر عمل کیا گیا۔ اس کے مطابق مالی سال 2024 کے سالانہ قومی بجٹ میں کئی نئے ٹیکس اور اقدامات پیش کیے گئے ہیں جن میں ایندھن اور بجلی پر کچھ سبسڈیز کی منسوخی / کمی، ضرورت سے زیادہ سی اے ڈی کو کم کرنے اور ملک کے تیزی سے کم ہوتے غیر ملکی زرمبادلہ ذخائر کو سنبھالنے کے لئے درآمدات میں تیزی سے کمی شامل ہے۔

جب ہم اس طرح کے سماجی، اقتصادی اور سیاسی حالات کے پس منظر میں مالی سال 23 کی پہلی سہ ماہی میں داخل ہوئے تو ملک کے جغرافیہ کا ایک بڑا حصہ مون سون کی شدید بارشوں، غیر معمولی موسمی نظام اور ناقابل تلافی سیلاب کے نقصانات سے متاثر ہوا، جس سے ملک کے بڑے حصے زیر آب ہونے کی وجہ سے متاثر ہوئے۔ اس تباہی کے نتیجے میں فصلوں اور سڑکوں کے بنیادی ڈھانچے کو نقصان پہنچا، جبکہ لاکھوں افراد کے گھروں، مویشیوں اور ذریعہ معاش کو بھی نقصان پہنچا۔

تیزی سے بڑھتی ہوئی افراط زر اور صارفین کی اوسط قوت خرید میں کی کمی کی وجہ سے مالی سال کی پہلی سہ ماہی میں اور غیر معمولی سیلاب کی تباہی کی وجہ سے اس کے بعد دوسری سہ ماہی کے موسم سرما کے مہینوں میں بھی آپ کی کمپنی کی فروخت بُری طرح متاثر ہوئی جب تاریخی طور پر مشروبات کی فروخت میں تیزی سے کمی آتی ہے۔ جسکی وجہ سے کمپنی کو نصف مالی سال میں بڑے نقصان کا سامنا رہا، لیکن خوش قسمتی سے مالی سال 23 کی تیسری سہ ماہی میں موسم بہار کی آمد کے ساتھ ہی خاطر خواہ بحالی ہوئی۔ آپ کی کمپنی جارحانہ طور پر ایک مضبوط فروخت کی کوشش کو بڑھانے اور اپنے کلیدی خام مال کی لاگت سے موثر طریقے سے خریداری کرتے ہوئے زیادہ تر اخراجات سے گزرنے کے قابل تھی اور تیسری سہ ماہی میں ایک بڑی بحالی کے بعد اس کے "سال بہ سال" نقصانات کو نمایاں طور پر کم کیا گیا تھا. تاہم، مالی سال کی چوتھی سہ ماہی میں روایتی طور پر مضبوط مشروبات کی فروخت کی توقعات کے برعکس اپریل میں ماہ رمضان کی آمد اور موسم میں نمایاں تبدیلی کی وجہ سے اچانک ختم ہو گئی۔ شمالی خطے میں بے وقت ہواؤں اور بارشوں کی آمد کی وجہ سے موسم گرما کے مہینے اپریل اور مئی غیر معمولی طور پر ٹھنڈے رہے جس نے حقیقی فروخت کی رفتار کو متاثر کیا جو پہلے سے بڑھ رہی تھی۔

آپ کی کمپنی نے متعدد میکرو اکنامک، سیاسی، عالمی سپلائی چین کے بحرانوں، نیز 'موسمیاتی تبدیلی' سے متعلق غیر متوقع آفات سے متاثرہ ایک ہنگامہ خیز سال کی مشکلات اور آزمائشوں کا سامنا کیا جو اسکے کنٹرول سے باہر تھا کہ باوجود سال کے اختتام تک اپنا منافع بحال کرنے میں کامیاب رہی۔

فروخت اور مالیات کے اہم نکات

سیلز ریونیو گزشتہ سال کے مقابلے میں 13 فیصد اضافے کے ساتھ 5 ارب روپے سے بڑھ کر 5.7 ارب روپے تک پہنچ گیا۔ اس نمایاں ترقی کے اہم عوامل یہ ہیں: (1) مالی سال 2022 کے مقابلے میں بوتلوں کی فروخت کے حجم میں 3 فیصد اضافہ (2) PET Resin (بنیادی خام مال) کی قیمت میں سال بہ سال 32 فیصد اضافہ ہوا جو مصنوعات کی قیمت کا ایک اہم حصہ ہے۔ پاکستان میں مشکل معاشی حالات اور بڑے پیمانے پر درآمدی پابندیوں اور پاکستانی روپے کی قدر میں کمی وغیرہ کے درمیان افراط

ANNEXURE "A"

TO THE DIRECTORS REPORT
"SIX YEARS AT A GLANCE:

	2023	2022	2021	2020	2019	2018
Assets employed:						
Property, plant and equipment	**1,548,259**	1,424,091	1,336,883	1,408,042	1,426,872	1,362,572
Intangibles and others	**17,484**	17,086	17,500	18,314	36,973	19,149
Current Assets	**1,410,539**	1,060,720	787,402	648,567	1,067,725	999,833
	2,976,282	2,501,897	2,141,785	2,074,923	2,531,570	2,381,554
Assets financed by:						
Shareholders' equity including revaluation surplus	**1,175,321**	1,031,053	850,069	804,629	907,422	868,294
Long term finances	**105,670**	153,053	247,214	287,476	267,303	325,194
Employee benefits	**43,738**	33,418	33,979	104,884	126,996	106,325
Deffered Liabilities	**33,761**	18,497	24,297	52,434	129,234	132,429
Short term finances	**1,190,094**	784,473	770,857	583,116	894,636	650,396
Other current liabilities	**427,698**	481,403	215,369	242,384	205,979	298,916
	2,976,282	2,501,897	2,141,785	2,074,923	2,531,570	2,381,554
Profit & Loss:						
Sales	**5,689,493**	5,025,212	3,100,689	3,053,947	4,074,873	3,312,401
Cost of Sales	**5,107,449**	4,538,737	2,765,278	2,869,970	3,640,879	2,949,201
Gross Profit	**582,044**	486,475	335,411	183,977	433,994	363,200
Operating expenses	**277,178**	218,367	176,249	171,645	198,075	164,068
Operating profit	**304,866**	268,108	159,162	12,332	235,919	199,132
Financial charges	**223,870**	122,390	92,659	157,213	127,088	66,821
Net profit / (loss) before taxation	**80,996**	145,718	66,503	(144,881)	108,831	132,311
Taxation	**40,853**	45,539	20,389	(41,181)	34,020	8,855
Net profit / (loss) after taxation	**40,143**	100,179	46,114	(103,700)	74,811	123,456
Other comprehensive income and Transactions with owners:						
Other comprehensive income	**104,125**	80,805	(674)	18,247	(305)	136
Bonus shares	**0%**	15%	10%	0%	10%	15%
Dividend	**0%**	0%	0%	0%	5%	10%
Key Financial Ratios:						
Gross profit	**10.23%**	9.68%	10.82%	6.02%	10.65%	10.96%
Operating profit	**5.36%**	5.34%	5.13%	0.40%	5.79%	6.01%
Profit before tax to net sales	**1.42%**	2.90%	2.14%	-4.74%	2.67%	3.99%
Return on capital employed	**22.44%**	21.69%	13.77%	0.99%	16.49%	13.90%
Fixed assets turnover (times)	**3.63**	3.49	2.29	2.14	2.78	2.40
Debt equity ratio	**13:87**	24:76	33:67	36:64	23:77	36:64
Current ratio	**0.85**	0.82	0.77	0.70	0.87	0.95
Earnings per share	**0.83**	2.08	1.21	(2.72)	1.96	3.24

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 the 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 is 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, 2023 are as follows:

● Provident Fund Rs. 15.76 million	● Gratuity Fund Rs. 0.22 million

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. 32.1 of the financial statements for the year ended June 30, 2023.
6. The Composition of Board is as follows:
   a. Male : 06
   b. Female : 01
7. The composition of 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. Omer Tariq (3) Mr. Arif Ahmed Siddiqui

(c) Executive Director

Mr. Hussain Jamil (Chief Executive Officer)

(d) Female Director

Ms. Sonya Jamil (Non-Executive Director)

8. 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 45 of the attached financial statements.

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

A.1) Audit Committee (Prevailing)

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

A.2) Audit Committee (Former)

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

B.1) Human Resource and Remuneration (HR & R) Committee (Prevailing)

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

B.2) Human Resource and Remuneration (HR & R) Committee (Former)

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

10. During the year, 07 board of Directors, 04 Audit Committee & 03 HR & Remuneration Committee Meetings were held, and the attendance of each director is given below:

A.1) Board of Directors Meetings (Prevailing):-

Name of Directors	No. of Meetings Attended
Mr. Muhammad Kamran Nasir	05
Mr. Hussain Jamil	05
Mr. Ameen Jan	05
Mr. Junaid Hameed Dagia	05
Mr. Omer Tariq	05
Mr. Arif Ahmed Siddiqui	05
Ms. Sonya Jamil	05

A.2) Board of Directors Meetings (Former):-

Name of Directors	No. of Meetings Attended
Mr. Amar Zafar Khan	02
Mr. Hussain Jamil	02
Mr. Ali Jamil	02
Ms. Sonya Jamil	02
Mr. Asad Ali Sheikh	02
Mr. Ahsan Jamil	02
Ms. Laila Jamil	02

B.1) Audit Committee Meetings (Prevailing):-

Name of Members	No. of Meetings Attended
Mr. Ameen Jan	02
Mr. Arif Ahmed Siddiqui	02
Mr. Omer Tariq	02
Ms. Sonya Jamil	02

B.2) Audit Committee Meetings (Former):-

Name of Members	No. of Meetings Attended
Mr. Asad Ali Sheikh	02
Mr. Amar Zafar Khan	02
Mr. Ahsan Jamil	01
Mr. Ali Jamil	02

C.1) Human Resource & Remuneration Committee Meetings (Prevailing):-

Name of Members	No. of Meetings Attended
Mr. Junaid Hameed Dagia	01
Mr. Arif Ahmed Siddiqui	01
Mr. Omer Tariq	01
Ms. Sonya Jamil	01

C.2) Human Resource & Remuneration Committee Meetings (Former):-

Name of Members	No. of Meetings Attended
Mr. Amar Zafar Khan	02
Mr. Hussain Jamil	02
Mr. Asad Ali Sheikh	02
Ms. Sonya Jamil	02
Mr. Ahsan Jamil	01

11. Trading of shares by Directors, Spouse of a Director, Chief Executive Officer, Chief Financial Officer & Secretary of the Company during the year 2022-2023 is as under:

Name	Designation	No. of Shares Acquired / (Sold)
Mr. Muhammad Kamran Nasir	Director	Nil
Mr. Amar Zafar Khan	Director	Nil
Mr. Hussain Jamil	Chief Executive Officer	Nil
Mr. Ahsan Jamil	Director	Nil
Mr. Asad Ali Sheikh	Director	Nil
Ms. Laila Jamil	Director	Nil
Mrs. Deborah Jamil	Spouse (Chief Executive Officer)	Nil
Mr. M. Junaid Hameed Dagia	Director	Nil
Mr. Omer Tariq	Director	Nil
Mr. Arif Ahmed Siddiqui	Director	Nil
Ms. Sonya Jamil	Director	Nil
Mr. Muhammed Ali Adil	Chief Financial Officer	Nil
Mr. Awais Imdad	Company Secretary	Nil

KEY MANAGEMENT PERSONNEL CHANGES:

There were no changes in Key Management during the year 2022-2023.

BOARD CHANGES:

In pursuance of Clause 5.6.1 of the PSX rule book, the aforementioned members in paragraph 7 have been elected un-opposed on October 28, 2022, for the period of 3 years as Directors of the Company.

AUDITORS:

Auditors M/s A. F. Ferguson & Co., Chartered Accountants were appointed as auditors for the year ended June 30, 2023. The Board of Directors recommended the suggestion of the Audit Committee, to the 32nd AGM, for the appointment of M/s A. F. Ferguson & Co. Chartered Accountants as Auditors of the Company for the year ending June 30, 2024.

For & on behalf of the Board of Directors

M. KAMRAN NASIR
DIRECTOR
Date: September 27, 2023

HUSSAIN JAMIL
CHIEF EXECUTIVE OFFICER

جناب اسد علی شیخ	02
محترمہ سونیا جمیل	02
جناب احسن جمیل	01

11. سال 2022-2023 کے دوران کمپنی کے ڈائریکٹرز، ڈائریکٹر، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر اور سیکریٹری کے ذریعہ حصص کی تجارت درج ذیل ہے:

نام	عہدہ	حصص کی تعداد، خرید/ (فروخت)
جناب محمد کامران ناصر	ڈائریکٹر	نیل
جناب امر ظفر خان	ڈائریکٹر	نیل
جناب حسین جمیل	چیف ایگزیکٹو آفیسر	نیل
جناب احسن جمیل	ڈائریکٹر	نیل
جناب اسد علی شیخ	ڈائریکٹر	نیل
محترمہ لیلیٰ جمیل	ڈائریکٹر	نیل
مسز دیبورہ جمیل	شریک حیات (چیف ایگزیکٹو آفیسر)	نیل
جناب جنید حمید ڈاگیا	ڈائریکٹر	نیل
جناب عمر طارق	ڈائریکٹر	نیل
جناب عارف احمد صدیقی	ڈائریکٹر	نیل
محترمہ سونیا جمیل	ڈائریکٹر	نیل
جناب محمد علی عادل	چیف فنانشل آفیسر	نیل
جناب اویس امداد	کمپنی سیکرٹری	نیل

اہم انتظامی اہلکاروں کی تبدیلیاں:

سال 2022-2023 کے دوران کلیدی انتظام میں کوئی تبدیلی نہیں کی گئی۔

بورڈ میں تبدیلیاں:

پی ایس ایکس رول بک کی شق 1.6.5 کی پیروی کرتے ہوئے، پیراگراف 7 میں مذکورہ بالا ارکان کو 28 اکتوبر، 2022 کو کمپنی کے ڈائریکٹر کی حیثیت سے 3 سال کی مدت کے لئے غیر مخالف منتخب کیا گیا ہے۔

آڈیٹرز:

آڈیٹرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون 2023 کو ختم ہونے والے سال کے لئے آڈیٹرز کے طور پر مقرر کیا گیا تھا۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی تجویز 32 ویں اے جی ایم کو 30 جون 2024 کو ختم ہونے والے سال کے لئے کمپنی کے آڈیٹرز کے طور پر ایم ایس اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی تقرری کے لئے تجویز کی۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

محمد کامران ناصر
ڈائریکٹر
تاریخ: 27 ستمبر 2023

حُسین جمیل
چیف ایگزیکٹو آفیسر

جناب امین جان	05
جناب جنید حمید ڈاگیا	05
جناب عمر طارق	05
جناب عارف احمد صدیقی	05
محترمہ سونیا جمیل	05

A.2) بورڈ آف ڈائریکٹرز کے اجلاس (سابق):-

ڈائریکٹرز کے نام	اجلاس میں شمولیت کی تعداد
جناب امر ظفر خان	02
جناب حسین جمیل	02
جناب علی جمیل	02
محترمہ سونیا جمیل	02
جناب اسد علی شیخ	02
جناب احسن جمیل	02
محترمہ لیلیٰ جمیل	02

B.1) آڈٹ کمیٹی کے اجلاس (مروجہ):-

ارکان کے نام	اجلاس میں شمولیت کی تعداد
جناب امین جان	02
جناب عارف احمد صدیقی	02
جناب عمر طارق	02
محترمہ سونیا جمیل	02

B.2) آڈٹ کمیٹی کے اجلاس (سابق):-

ارکان کے نام	اجلاس میں شمولیت کی تعداد
جناب اسد علی شیخ	02
جناب امر ظفر خان	02
جناب احسن جمیل	01
جناب علی جمیل	02

C.1) انسانی وسائل اور معاوضہ کمیٹی کے اجلاس (مروجہ):-

ارکان کے نام	اجلاس میں شمولیت کی تعداد
جناب جنید حمید ڈاگیا	01
جناب عارف احمد صدیقی	01
جناب عمر طارق	01
محترمہ سونیا جمیل	01

C.2) انسانی وسائل اور معاوضہ کمیٹی کے اجلاس (سابق):-

ارکان کے نام	اجلاس میں شمولیت کی تعداد
جناب امر ظفر خان	02
جناب حسین جمیل	02

.8 بورڈ نے ڈائریکٹرز کی معاوضہ پالیسی کی منظوری دی ہے؛ اہم خصوصیات درج ذیل ہیں:

- بورڈ آف ڈائریکٹرز ("بی او ڈی") وقتاً فوقتاً بورڈ کے اجلاسوں میں شرکت کے لئے بی او ڈی کے ممبروں کے معاوضے کا تعین اور منظوری دے گا۔ معاوضے کی اس سطح مناسب اور بی او ڈی کے ممبران کی طرف سے پیش کردہ ذمہ داری اور مہارت کی سطح کے مطابق ہوگی اور اس کا مقصد کمپنی کو کامیابی سے چلانے اور ویلیو ایڈیشن پیدا کرنے کے لئے ضروری ممبروں کو راغب کرنا اور برقرار رکھنا ہوگا۔
- بی او ڈی کا کوئی ایک رکن اپنے معاوضے کا تعین خود نہیں کرے گا۔
- بورڈ اور کمیٹی کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز (آزاد اور غیر ایگزیکٹو) کو فیس ادا کی جاتی ہے اور بورڈ نے اس کی منظوری دے دی ہے۔ وہ اس طرح کے اجلاسوں میں شرکت کے لئے بورڈنگ، قیام اور سفر کی وجہ سے ہونے والے اخراجات کی ادائیگی حاصل کرنے کے بھی حقدار ہیں۔ سال کے دوران ڈائریکٹرز کو ادا کی جانے والی رقم کی کل رقم منسلک مالی بیانات کے نوٹ 45 میں ظاہر کی گئی ہے۔

.9 بورڈ نے مندرجہ ذیل ممبروں پر مشتمل کمیٹیاں تشکیل دی ہیں:

A.1 **آڈٹ کمیٹی (مروجہ)**

(1)	جناب امین جان	چیئرمین
(2)	جناب عارف احمد صدیقی	رکن
(3)	جناب عمر طارق	رکن
(4)	محترمہ سونیا جمیل	رکن

A.2 **آڈٹ کمیٹی (سابق)**

(1)	جناب اسد علی شیخ	چیئرمین
(2)	جناب امر ظفر خان	رکن
(3)	جناب احسن جمیل	رکن
(4)	جناب علی جمیل	رکن

B.1 **انسانی وسائل اور معاوضہ (ایچ آر اینڈ آر) کمیٹی (مروجہ)**

(1)	جناب جنید حمید ڈاگیا	چیئرمین
(2)	جناب عارف احمد صدیقی	رکن
(3)	جناب عمر طارق	رکن
(4)	محترمہ سونیا جمیل	رکن

B.2 **انسانی وسائل اور معاوضہ (ایچ آر اینڈ آر) کمیٹی (سابق)**

(1)	جناب امر ظفر خان	چیئرمین
(2)	جناب اسد علی شیخ	رکن
(3)	جناب حسین جمیل	رکن
(4)	جناب احسن جمیل	رکن
(5)	محترمہ سونیا جمیل	رکن

.10 سال کے دوران 07 بورڈ آف ڈائریکٹرز، 04 آڈٹ کمیٹی اور 03 ایچ آر اور معاوضہ کمیٹی کے اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی حاضری درج ذیل ہے:

A.1 **بورڈ آف ڈائریکٹرز کے اجلاس (مروجہ):-**

ڈائریکٹرز کے نام	اجلاس میں شمولیت کی تعداد
جناب محمد کامران ناصر	05
جناب حسین جمیل	05

ڈائریکٹرز کی رپورٹ کے مطابق "ضمیمہ بی"

ضابطہ کی تعمیل برائے کارپوریٹ گورننس:

ڈائریکٹرز کی ذمہ داریوں کا بیان:

1. انتظامیہ کی طرف سے تیار کردہ مالی بیانات اس کے معاملات، اس کے آپریشنز کے نتائج، نقد بہاؤ، اور ایکویٹی میں تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔
2. حساب کتابوں کی مناسب کتابیں رکھی گئی ہیں۔
3. مالی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مستقل طور پر لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
4. مالی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات پر عمل کیا گیا ہے اور وہاں سے کسی بھی روانگی کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے۔
5. اندرونی کنٹرول کا نظام ڈیزائن میں مضبوط ہے اور مؤثر طریقے سے نافذ اور نگرانی کی گئی ہے۔
6. کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر کوئی اہم شک نہیں ہے۔
7. کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی انحراف نہیں ہوا ہے، جیسا کہ لسٹنگ ریگولیشنز میں تفصیل سے بیان کیا گیا ہے۔

دیگر انکشافات:

1. گزشتہ چھ سالوں کے کلیدی آپریٹنگ اور مالیاتی اعداد و شمار کو خلاصہ کی شکل میں ڈائریکٹرز کی رپورٹ کے ساتھ ضمیمہ "اے" کے طور پر منسلک کیا گیا ہے۔
2. عام اور معمول کی نوعیت کے علاوہ ٹیکسوں، لیویز اور چارجز کی مد میں کوئی واجب الادا قانونی ادائیگی نہیں ہے۔
3. کمپنی اپنے انتظامی ملازمین کے لئے ایک کنٹری بیوٹری پروویڈنٹ فنڈ اسکیم چلاتی ہے اور اپنے غیر انتظامی ملازمین کے لئے بینیفٹ گریجویٹی فنڈ اسکیم کی وضاحت کرتی ہے۔
30 جون، 2023 تک سرمایہ کاری کی قیمت درج ذیل ہے:

• گریجویٹی فنڈ 0.22 ملین روپے	• پروویڈنٹ فنڈ 15.76 ملین روپے

4. کمپنی کی کاروباری سرگرمیوں کا ماحول پر کوئی واضح منفی اثر نہیں ہے۔
5. کارپوریٹ سماجی ذمہ داری" (سی ایس آر) کے سلسلے میں، براہ کرم 30 جون، 2023 کو ختم ہونے والے سال کے مالی بیانات کے نوٹ نمبر 32.1 کا حوالہ دیں۔
6. بورڈ کی تشکیل مندرجہ ذیل ہے:
a) مرد : 06
b) خواتین: 01
7. بورڈ کی تشکیل مندرجہ 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 عمر طارق (3) جناب عارف احمد صدیقی
c) ایگزیکٹو ڈائریکٹر
جناب حسین جمیل (چیف ایگزیکٹو آفیسر)
d) خاتون ڈائریکٹرز (نان ایگزیکٹو ڈائریکٹرز)
محترمہ سونیا جمیل (نان ایگزیکٹو ڈائریکٹر)

ANNEXURE - C
AS AT JUNE 30, 2023

PATTERN OF SHARE HOLDING

Serial No	No. Of Shareholders	Shareholding		Total Shares Held	Percentage %
		From	To		
1	327	1	100	9,870	0.02%
2	609	101	500	164,673	0.34%
3	431	501	1000	286,878	0.59%
4	677	1001	5000	1,576,291	3.27%
5	91	5001	10000	600,161	1.24%
6	31	10001	15000	383,982	0.80%
7	11	15001	20000	192,649	0.40%
8	3	20001	25000	68,591	0.14%
9	8	25001	30000	214,864	0.45%
10	7	30001	35000	225,990	0.47%
11	5	35001	40000	185,865	0.39%
12	3	40001	45000	128,943	0.27%
13	2	45001	50000	96,057	0.20%
14	2	60001	65000	124,000	0.26%
15	1	70001	75000	70,150	0.15%
16	1	85001	90000	89,804	0.19%
17	1	100001	105000	101,200	0.21%
18	1	150001	155000	151,800	0.31%
19	1	190001	195000	190,949	0.40%
20	1	215001	220000	215,728	0.45%
21	1	250001	255000	253,460	0.53%
22	1	450001	4550000	454,250	0.94%
23	1	580001	585000	580,112	1.20%
24	1	615001	620000	617,377	1.28%
25	1	1735001	1740000	1,738,225	3.60%
26	1	2215001	2220000	2,215,590	4.59%
27	1	2850001	2855000	2,854,852	5.92%
28	1	2970001	2975000	2,972,333	6.16%
29	1	3055001	3060000	3,056,700	6.33%
30	1	3560001	3565000	3,564,298	7.39%
31	1	4620001	4625000	4,624,150	9.58%
32	3	4620001	4715000	14,145,000	29.31%
33	1	6100001	6105000	6,103,625	12.65%
	2228	**Total Shares Held**		**48,258,417**	100.00%

CATEGORIES OF SHAREHOLDERS

S.NO	Name	Number of Share Holders	Total Shares Held	Percentage
1	**Directors, Chief Executive Officer, and their Spouse and Minor Children:-**			
	Mr. Hussain Jamil	1	8,319,215	17.239%
	Mrs. Deborah Jamil	1	10,774	0.022%
	Ms. Sonya Jamil	1	649	0.001%
	Mr. Ameen Jan	1	575	0.001%
	Mr. Muhammad Kamran Nasir	1	575	0.001%
	Mr. Muhammad Junaid Hameed Dagia	1	2,875	0.006%
	Mr. Arif Ahmed Siddiqui	1	575	0.001%
	Mr. Omer Tariq	1	3,056,700	6.334%
	Sub-Total:	**8**	**11,391,938**	**23.606%**
2	**Associated Companies, Undertakings and related parties**	NIL	NIL	0.00%
3	**NIT AND ICP**			
	M/S. Investment Corporation Of Pakistan	1	194	0.000%
	National Bank of pakistan Trustee Wing, Head Office	1	495	0.001%
	Sub-Total:	**2**	**689**	**0.001%**
4	**Banks, Development Financial Institutions & Non Banking Financial Institutions:-**			
	National Development Fin.Corp.Investor	1	14,593	0.030%
	PRUDENTIAL STOCK FUND LTD. (03360)	1	215,728	0.447%
	PRUDENTIAL STOCK FUND LTD.	1	24,607	0.051%
	Margalla Financial (Private) Limited	1	9,000	0.019%
	Sub-Total:	**4**	**263,928**	**0.547%**
5	**Insurance Companies**	NIL	NIL	0.00%
6	**Modarabas And Mutual Funds:-**			
	First Equity Modaraba	1	46,057	0.095%
	Modaraba Al-Mali	1	31,110	0.064%
	CDC - Trustee NAFA Islamic Stock Fund	1	2,896	0.006%
	Sub-Total:	**3**	**80,063**	**0.166%**

CATEGORIES OF SHAREHOLDERS

S.NO	Name	Number of Share Holders	Total Shares Held	Percentage
7	**Share holding 10% or more voting interest**			
	Hussain Jamil	**1**	8,319,215	17.239%
	Total	**1**	**8,319,215**	**17.239%**
8	**General Public**			
	Local - Individuals	2,187	21,728,591	45.025%
	Sub-Total:	**2,187**	**21,728,591**	**45.025%**
	Foreign Investors:-			
	M/S Somers Nominee (Far East) Limited	1	11,255	0.023%
	Sub-Total:	**1**	**11,255**	**0.023%**
9	**Others**			
	M/s Freedom Enterprises (Pvt) Ltd.	1	5,221	0.011%
	Dr. Arslan Razaque Securities (Smc-Pvt)	1	2,227	0.005%
	Fikree'S (Pvt) Ltd.	1	33,350	0.069%
	Prudential Securities Limited	2	1,251	0.003%
	JS Global Capital Limited - MF	1	3,000	0.006%
	Maple Leaf Capital Limited	1	1	0.000%
	Muhammad Ahmed Nadeem Securities (Smc-Pvt)	1	1,043	0.002%
	Federal Board Of Revenue	1	580,112	1.202%
	S.A. Prosperity (Pvt.) Ltd.	1	144	0.000%
	Capital Financial Services (Pvt.) Ltd.	1	7,590	0.016%
	Mam Securities (Pvt) Limited	1	203	0.000%
	Mra Securities Limited - Mf	2	7,325	0.015%
	Dawood Equities Limited- Mf	2	11,325	0.023%
	Multiline Securities Limited - MF	1	60,500	0.125%
	Y.S. Securities (Private) Limited	1	1,450	0.003%
	Shaffi Securities (Pvt) Limited	1	118	0.000%
	M/S Somers Nominee (FAR EAST) Limited	1	12,943	0.027%
	Sumya Builders & Developers	1	4,715,000	9.770%
	Crosby Paksitan (Private) Limited	1	4,624,150	9.582%
	Eastern Express Company (Private) Limited	1	4,715,000	9.770%
	Sub-Total:	**23**	**14,781,953**	**30.631%**
	Grand Total:	**2,228**	**48,258,417**	**100%**

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, 2023 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, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
(I)	7	The meeting of the Board of Directors was not held in the third quarter of the financial year.
(ii)	14	The meeting of the audit committee was not held in the third quarter of the financial year.
(iii)	18	The Company has not placed management letter issued by external auditors as a significant issue for the information of the Board or its committee as required by the respective regulation.

A. F. Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Islamabad
Date: 3rd October 2023
UDIN: CR202310083iFIRUCKIN

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

Name of Company : EcoPack Limited
Year Ending : June 30, 2023

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 : 06
   b. Female : 01
2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Ameen Jan Mr. M. Junaid Hameed Dagia
Non-executive Director	Mr. Muhammad Kamran Nasir Mr. Omer Tariq Mr. Arif Ahmed Siddiqui
Executive Director	Mr. Hussain Jamil (Chief Executive Officer)
Female Director	Ms. Sonya 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 of 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 the following:
   - Vision / mission statement,
   - Overall corporate strategy, and
   - Significant policies of the Company

   The Board has ensured that the 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, except to the extent, whereby 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 alleged removal as the CEO and alleged acquisition of shares in the Company by certain shareholders in alleged violation of takeover laws. The Honourable High Court of Sindh provided a stay order in Suit 1954 with a direction to maintain status quo. Subsequently, the said ad-interim order was modified on 28 March 2023 by the High Court of Sindh ("SHC") to the extent that that the accounts of the Company be placed before the Board for their approval and that other important affairs/matters of the Company be taken care of without prejudice to the claim/case of Plaintiff in Suit 1954. The matter is being contested on merit and is pending. In pursuance of this modified order, the half-yearly accounts were approved by the Board of Directors on April 26, 2023, and accordingly filed on April 27, 2023.
7. The meetings of the Board were presided over by the Chairman for the year 2022-23. However, the Board could not comply with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board due to Management/CEO failing to timely convene meetings for the approval of the half yearly results. The Chairman of the board had to call meeting of the board for the half year and the third quarter post breach of the regulatory time lines by the Management/CEO over the half yearly accounts. However, the Management/CEO believes that they have acknowledged their duty to comply with the law, specifically in relation to the preparation and submission of half-yearly accounts to the Commission, Securities Exchange, and the Registrar, under section 237 read with section 479 of the Companies Act, 2017. These accounts were due within 60 days from the close of the second quarter, which in this case should have been by March 1, 2023. Unfortunately, management/CEO believes that they were unable to meet this deadline due to extraordinary and unperceivable circumstances as communicated to both SECP and PSX in a letter dated February 28, 2023. It is pertinent to note that the majority of the board members including the Chairman does not concur with the management views over their inability to convene the board meeting within due time frame as required by law. Furthermore, the management/CEO highlighted that the current composition of the Board of Directors of EcoPack Limited, which was communicated to SECP through a letter titled "Disclosure of Price Sensitive Information" dated October 28, 2022, and Form 29 filed on November 1, 2022 has not been approved by the SECP till date and as per the management limits their ability to file a new Form 29 to update the list of signatories of EcoPack Ltd; following the resignation of Mr. Awais Imdad (Ex-Company Secretary).

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, three 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 the current year.

10. The Board has previously approved the 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:

Audit Committee	**HR and Remuneration Committee**
Mr. Ameen Jan (Chairman)	Mr. M. Junaid Hameed Dagia (Chairman)
Mr. Arif Ahmed Siddiqui	Mr. Arif Ahmed Siddiqui
Mr. Omer Tariq	Mr. Omer Tariq
Ms. Sonya Jamil	Ms. Sonya 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:
    a) Audit Committee – 4 meetings held during the year.
    b) HR and Remuneration Committee – on required basis - 3 meetings held during the year.

15. The Board has previously 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. Management confirms that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Mandatory requirement	Reg. No.	Explanation
Management Letter: The Management has not placed the management letter issued by external auditors as a significant issue for the information of the Board or its committee as required by the respective regulation.	14(vii)	The management has cited overlooking as a reason for not being able to place the ML before the board. However, the management will be placing this ML in the next board meeting. Being a significant matter the management has been strictly advised to ensure compliance in future.

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Non-mandatory requirement	Reg. No.	Explanation
Nomination Committee: 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 the Nomination Committee as recommended by the Code.
Risk Management Committee: 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.

Muhammad Kamran Nasir
Chairman

September 27, 2023

INDEPENDENT AUDITOR'S 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, 2023, 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, 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, 2023 and of the profit and total 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)	**Revenue recognition** *(Refer notes 4.18 and 28 to the financial statements)* The Company is engaged in the production and sale of preforms and bottles in local markets. The Company recognized gross revenue of Rs 6,693,618 thousand from the sales of preforms and bottles in local market. During the year, price of preforms and bottles increased from last year. We considered revenue recognition as a key audit	Our audit procedures in relation to the matter, amongst others, included: • Understood and evaluated management controls over revenue and checked their validation; • Performed verification of sample of revenue transactions with underlying documentation including dispatch documents and sales invoices;

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, 2023, the carrying value of lease hold land, factory buildings & roads on leasehold land and plant & machinery was Rs 1,169,264 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 June 30, 2023. 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 and will 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, 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).

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

A.F.Ferguson & Co.

A. F. Ferguson & Co.
Chartered Accountants
Islamabad
Date: 3rd October 2023
UDIN: AR202310083zQWSB16ZN

Statement of Financial Position

As at June 30, 2023

	Note	June 30, 2023	June 30, 2022
		Rupees in thousand	
NON CURRENT ASSETS			
Property, plant & equipment	6	**1,548,259**	1,424,091
Intangible assets	7	**3,663**	4,477
Long term deposits		**13,821**	12,609
		1,565,743	1,441,177
CURRENT ASSETS			
Stores, spares and loose tools	8	**80,970**	84,827
Stock-in-trade	9	**505,528**	384,593
Trade debts	10	**545,334**	440,522
Loans and advances	11	**181,840**	80,211
Deposits, prepayments and other receivables	12	**12,539**	4,611
Advance tax - net	13	**-**	33,116
Short-term investments	14	**-**	7,125
Cash and bank balances	15	**84,328**	25,715
		1,410,539	1,060,720
TOTAL ASSETS		**2,976,282**	2,501,897
SHARE CAPITAL AND RESERVES			
Authorised capital		**500,000**	500,000
Issued, subscribed and paid-up capital	16	**482,584**	419,638
Revenue reserve - Unappropriated profits		**419,483**	427,835
Capital Reserve			
Surplus on revaluation of property, plant and equipment	17	**273,254**	183,580
		1,175,321	1,031,053
NON-CURRENT LIABILITIES			
Long term finances - secured	18	**54,530**	84,343
Deferred government grant	19	**936**	1,783
Lease liabilities	20	**51,140**	68,710
Deferred tax liabilities - net	21	**32,825**	16,714
		139,431	171,550
CURRENT LIABILITIES			
Employees' retirement benefits	22	**43,738**	33,418
Trade and other payables	23	**400,186**	441,472
Contract liabilities	24	**20,296**	36,994
Unclaimed dividend		**3,396**	2,937
Taxation - net	13	**3,820**	-
Short term borrowings and running finance - secured	25	**1,124,271**	606,842
Current maturity of non-current liabilities	26	**65,823**	177,631
		1,661,530	1,299,294
Contingencies and commitments	27	**-**	-
TOTAL EQUITY AND LIABILITIES		**2,976,282**	2,501,897

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer	Chief Executive Officer	Director

Statement of Profit or Loss

For the year ended June 30, 2023

	Note	2023	2022
		Rupees in thousand	
Revenue from contracts with customers		**6,693,618**	5,889,685
Sales tax and discounts		**(1,004,125)**	(864,473)
Revenue from contracts with customers - net	28	**5,689,493**	5,025,212
Cost of sales	29	**(5,107,449)**	(4,538,737)
GROSS PROFIT		**582,044**	486,475
Selling & distribution expenses	30	**(136,965)**	(104,510)
Administrative and general expenses	31	**(133,277)**	(112,448)
Other expenses	32	**(12,898)**	(10,153)
Other income	33	**5,646**	9,618
Net impairment reversal / (loss) on financial assets	10.1	**316**	(874)
		(277,178)	(218,367)
OPERATING PROFIT		**304,866**	268,108
Finance cost	34	**(223,870)**	(122,390)
PROFIT BEFORE TAXATION		**80,996**	145,718
Taxation	35	**(40,853)**	(45,539)
PROFIT FOR THE YEAR		**40,143**	100,179
Earnings per share - basic and diluted (Rs)	36.1	**0.83**	2.08

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Statement of Comprehensive Income

For the year ended June 30, 2023

	Note	2023	2022
		Rupees in thousand	
PROFIT FOR THE YEAR		**40,143**	100,179
OTHER COMPREHENSIVE INCOME / (LOSS):			
Items that will not be reclassified to statement of profit or loss:			
- Surplus on revaluation of property, plant and equipment	17	**164,863**	89,141
Less: Deferred tax on surplus on revaluation of property, plant and equipment		**(51,857)**	(11,054)
- Reversal of surplus on recognition of impairment loss on idle machinery	6.7	**(5,101)**	-
Related tax		**1,683**	-
		109,588	78,087
Remeasurement gain / (loss) on defined benefit plan	22.8	**(8,153)**	3,828
Less: Income tax on remeasurement gain / (loss) on defined benefit plan		**2,690**	(1,110)
		(5,463)	2,718
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**144,268**	180,984

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive Officer** | **Director**

Statement of Changes in Equity

For the year ended June 30, 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	-	100,179	-	100,179
- Other comprehensive Income	-	2,718	78,087	80,805
Total comprehensive income for the period	-	102,897	78,087	180,984
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	15,740	(15,740)	-
Transaction with members recorded directly in equity				
Distribution to members				
- Issuance of bonus shares @ 10%	38,149	(38,149)	-	-
Balance as at June 30, 2022	**419,638**	**427,835**	**183,580**	**1,031,053**
Balance as at July 1, 2022	419,638	427,835	183,580	1,031,053
- Profit for the year	-	40,143	-	40,143
- Other comprehensive income / (Loss)	-	(5,463)	109,588	104,125
Total comprehensive income for the year	-	34,680	109,588	144,268
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation for the period - net of deferred taxation	-	19,914	(19,914)	-
Transaction with members recorded directly in equity				
Distribution to members				
- Issuance of bonus shares @ 15%	62,946	(62,946)	-	-
Balance as at June 30, 2023	**482,584**	**419,483**	**273,254**	**1,175,321**

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer | **Chief Executive Officer** | **Director**

Statement of Cash Flows

For the year ended June 30, 2023

	Note	2023	2022
		(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year - before taxation		**80,996**	145,718
Adjustments for non-cash items:			
Depreciation and amortization	29 & 31	**149,321**	133,378
Gain on disposal of property, plant and equipment	33	**(929)**	(811)
Provision for / (reversal of) slow moving stock in trade	29	**441**	(2,124)
Provision for Workers' Welfare Fund	32	**358**	2,154
Provision for Workers' Profit Participation Fund	32	**4,282**	7,757
Advances written off	32	**-**	104
Impairment on idle machinery	32	**8,087**	-
Write back of liabilities	33	**(3,786)**	(1,667)
Charge / (reversal) of expected credit losses on trade debts	10.1	**(316)**	874
Interest income on bank deposits short-term investments	33	**(334)**	(446)
Provision for gratuity	22.6	**8,187**	7,717
Finance cost	34	**223,870**	122,390
		470,177	415,044
Changes in working capital			
(Increase) in inventories		**(128,741)**	(27,909)
(Increase) in trade debts		**(104,496)**	(213,215)
(Increase) in loans and advances		**(103,404)**	(27,950)
(Increase)/ decrease in deposits, prepayments and other receivables		**(7,928)**	111
(Decrease)/ increase in trade and other payables		**(52,011)**	257,614
		(396,580)	(11,349)
		73,597	403,695
Finance cost paid - short term borrowings		**(157,571)**	(90,373)
Workers' Profit Participation Fund paid		**(7,286)**	-
Workers Welfare Fund paid		**(637)**	-
Change in long term security deposits		**(1,212)**	-
Contributions to gratuity	22.3	**(6,012)**	(4,450)
Income taxes paid	13	**(35,290)**	(59,482)
Net cash generated used in operating activities		**(134,411)**	249,390
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment - net		**(93,391)**	(69,505)
Short-term investments		**7,125**	-
Interest income on short-term investments		**33**	286
Sale proceeds from disposal of property, plant and equipment		**13,666**	4,340
Net cash used in investing activities		**(72,567)**	(64,879)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of lease liabilities	20	**(141,565)**	(112,163)
Proceeds from long-term finances		**-**	4,416
Repayment of long-term finances		**(62,860)**	(78,377)
Interest on unclaimed dividend		**459**	176
Short-term borrowings (repaid) / received		**459,798**	11,030
Finance cost paid on long-term finances and lease liabilities		**(14,627)**	(12,777)
Net cash generated from financing activities		**241,205**	(187,695)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**34,227**	(3,184)
Cash and cash equivalents at beginning of the year		**25,513**	28,697
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	37	**59,740**	25,513

The annexed notes 1 to 47 form an integral part of these financial statements.

Chief Financial Officer	**Chief Executive Officer**	**Director**

Notes to the Financial Statements

For the year ended June 30, 2023

1. LEGAL STATUS AND OPERATIONS

Ecopack Limited (the Company) was incorporated in Pakistan on August 25, 1991 as a private limited company and converted to a public limited company on April 29, 1992 under the then 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	Presentation of Financial Statements (Amendments)	January 1, 2023
IAS 8	Accounting Policies, Changes in Accounting Esitmates and Errors (Amendments)	January 1, 2023
IAS 12	Income Taxes (Amendments)	January 1, 2023
IFRS 4	Insurance contracts (Amendments)	January 1, 2023
IAS 7	Statement of Cash Flows (Amendments)	January 1, 2023
IFRS 7	Financial Instruments	January 1, 2023
IFRS 16	Leases (Amendments)	January 1, 2024

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
IFRIC 12	Service Concession Arrangement

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 June 30, 2023. 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, the increase is first recognized in statement of profit or loss. 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 define 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, 2023 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 losses 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.

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. 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.

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 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	**2023**	2022
		(Rupees in thousand)	
6. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	6.1	**1,511,155**	1,385,930
Capital work-in-progress	6.8	**181**	12,890
Capital machines' spares		**36,923**	25,271
		1,548,259	1,424,091

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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, 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	24,700	83,453	737,536	102,566	13,839	1,102	2,694	326,405	19,825	1,312,120
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	75,725	95,584	730,261	103,746	14,668	971	2,830	336,464	25,681	1,385,930
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	75,725	95,584	730,261	103,746	14,669	971	2,830	336,464	25,681	1,385,930
Annual rate of depreciation (%)	-	5% - 10%	5% - 20%	5% - 40%	10% - 33%	10%	20%	8%	20%	
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	75,725	95,584	730,261	103,746	14,669	971	2,830	336,464	25,681	1,385,930
Year ended June 30, 2023										
Opening net book value	75,725	95,584	730,261	103,746	14,669	971	2,830	336,464	25,681	1,385,930
Additions	-	1,577	50,482	37,864	2,652	101	1,770	-	40,347	134,793
Revaluation	29,125	16,143	119,595	-	-	-	-	-	-	164,863
Disposals										
- Cost	-	-	-	-	(269)	-	(10,199)	-	(11,355)	(21,823)
- Accumulated depreciation	-	-	-	-	82	-	1,724	-	7,280	9,086
	-	-	-	-	(187)	-	(8,475)	-	(4,075)	(12,737)
Transfers from right-of-use assets to owned										
- Cost	-	-	207,479	-	-	-	10,113	(207,479)	(10,113)	-
- Accumulated Depreciation	-	-	(68,590)	-	-	-	(1,515)	68,590	1,515	-
	-	-	138,889	-	-	-	8,598	(138,889)	(8,598)	-
Impairment charge on idle machinery - note 6.7	-	-	(13,188)	-	-	-	-	-	-	(13,188)
Depreciation charge	-	(4,883)	(70,046)	(32,764)	(2,392)	(108)	(934)	(28,910)	(8,469)	(148,506)
Closing net book value	104,850	108,421	955,993	108,846	14,742	964	3,789	168,665	44,886	1,511,155
As at June 30, 2023										
Cost / revalued amount	104,850	172,252	1,958,304	558,119	39,067	4,891	14,413	242,291	60,451	3,154,638
Accumulated depreciation	-	(63,831)	(1,002,311)	(449,273)	(24,325)	(3,927)	(10,624)	(73,626)	(15,565)	(1,643,483)
Net book value	104,850	108,421	955,993	108,846	14,742	964	3,789	168,665	44,886	1,511,155
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. Following are the operating fixed assets disposed off during the year had an aggregate net book value greater than Rs 5 million:

Particulars	Cost	Book value	Sale value	Gain on disposals	Purchaser and Relationship	Mode of disposal
Motor Vehicle - Kia Sorento	4,715	3,825	4,199	375	Mr. M. Farooq	Open market
Motor Vehicle - Hyundai Sonata	5,398	4,630	4,717	86	Mr. Shah M. Khan	Open market
Motor Bike - Honda Prider	86	20	39	19	Mr. M. Naseem	Open market
Motor Vehicle - Suzuki Cultus	1,430	438	576	138	S. M. Murtaza (Employee)	As per policy
Motor Vehicle - Suzuki Cultus	1,430	399	576	177	Mr. Salman Azam (Employee)	As per policy
Motor Vehicle - Honda Civic	2,019	706	788	82	Mr. Shah Waqar (Employee)	As per policy
Motor Vehicle - Toyota Prado	6,476	2,531	2,579	48	Mr. Hussain Jamil (CEO)	As per policy
	21,553	**12,550**	**13,474**	**924**		

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:

	2023	2022
	Rupees in thousand	
Leasehold land	**2,995**	2,995
Factory building and roads on leasehold land	**68,954**	63,573
Plant and machinery- owned	**813,580**	651,430
	885,529	717,998

6.4 Forced sales value of the fixed assets based on last valuation conducted at June 30, 2023 and December 31, 2021 are as follows:

	June 30, 2023	December 31, 2021
	Rupees in thousand	
Leasehold land	**83,880**	60,580
Factory building and roads on leasehold land	**86,773**	74,552
Plant and machinery- owned	**780,310**	593,801
	950,963	728,932

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

	Note	**2023**	2022
		Rupees in thousand	
6.6 Depreciation for the year has been allocated as follows on the basis of actual usage:			
Cost of sales	29	**136,567**	122,794
Administrative and general expenses	31	**11,939**	9,770
		148,506	132,564

6.7 Reconciliation of impairment charged in fixed assets schedule and expense charged in SOPL:

Impairment of idle machinery charged in fixed assets schedule	**13,188**	-
Impact of related revlauation surplus charged through OCI	**(5,101)**	-
Impairment expense charges in statement of profit or loss	**8,087**	-

6.8 Capital work-in-progress:

	Plant and machinery	Vehicles - leased	Total
	---------- Rupees in thousand ----------		
As at June 30, 2021	440	-	440
Additions during the year	844	25,150	25,994
Capitalized during the year	(1,195)	(12,349)	(13,544)
As at June 30, 2022	89	12,801	12,890
As at July 01, 2022	**89**	**12,801**	**12,890**
Additions during the year	**1,637**	**16,929**	**18,566**
Capitalized during the year	**(1,545)**	**(29,730)**	**(31,275)**
As at June 30, 2023	**181**	**-**	**181**

	Note	**2023**	2022
		Rupees in thousand	
7. INTANGIBLE ASSETS			
Softwares			
Cost		**9,321**	9,321
Accumulated amortization			
- Opening balance		**(4,844)**	(4,030)
- Amortization charge for the year	7.1	**(814)**	(814)
		(5,658)	(4,844)
		3,663	4,477
Rate of amortization (per annum)		**10%**	10%

7.1 Amortization charge has been allocated to administrative and general expenses.

8. STORES, SPARES AND LOOSE TOOLS

	Note	**2023**	2022
Stores and spares		**125,855**	118,137
Loose tools		**2,453**	2,806
		128,308	120,943
Provision against slow moving stores and spares		**(10,415)**	(10,415)
Capital spares transferred to property, plant and equipment		**(36,923)**	(25,701)
		80,970	84,827

9. STOCK-IN-TRADE

	Note	**2023**	2022
Raw materials		**126,751**	121,426
Packing materials		**38,990**	16,379
Work in process - preforms		**228,532**	117,973
Finished goods - bottles		**111,696**	128,815
		505,969	384,593
Provision for obsolescence	9.1	**(441)**	-
	9.2	**505,528**	384,593

9.1 Movement in provision for obsolescence:

	2023	2022
Balance at the beginning of the year	**-**	2,194
Charge / (Reversal) for the year	**441**	(2,194)
	441	-

9.2 Certain short-term and long term borrowings of the Company are secured by way of collateral charge on stock-in-trade.

	Note	**2023**	2022
		Rupees in thousand	
10. TRADE DEBTS			
Trade debts - unsecured		**550,327**	445,831
Expected credit loss allowance	10.1	**(4,993)**	(5,309)
		545,334	440,522

10.1 Movement in expected credit loss allowance:

	2023	2022
Balance at the beginning of the year	**5,309**	4,435
Expected credit losses/(reversal) for the year	**(316)**	874
	4,993	5,309

10.2 The provision matrix is as follows:

Disclosure for ECL:

June 30, 2023	**Current**	**Upto 30 days past due**	**More than 30 days past due**	**More than 60 days past due**	**More than 90 days past due**	**Total**
Expected loss rate	**0.53%**	**1.25%**	**12.13%**	**34.39%**	**45.30%**	
Gross carrying amount - trade receivables	380,396	167,170	1,118	7	1,635	**550,327**
Loss allowance	2,024	2,089	136	3	741	**4,993**
June 30, 2022						
Expected loss rate	0.46%	1.04%	11.83%	35.07%	46.96%	
Gross carrying amount - trade receivables	399,921	37,433	876	4,835	2,765	**445,831**
Loss allowance	1,823	389	104	1,696	1,299	**5,309**

11. LOANS AND ADVANCES

	Note	2023	2022
Suppliers and contractors - unsecured		**171,602**	60,701
Employees:			
Personal - secured	11.1 & 11.2	**6,288**	14,627
Operational - unsecured		**3,950**	4,883
		181,840	80,211

11.1 These include interest free advances of Rs 2,016 thousand (2022: Rs 2,455 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 4,272 thousand (2022: Rs 12,172 thousand).

	Note	2023	2022
		Rupees in thousand	
12. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		**100**	75
Prepayments		**1,435**	1,382
Other receivables	12.1	**11,004**	3,154
		12,539	4,611

12.1 This includes LC margin amounting to Rs 7,022 thousand (2022: Rs 2,805 thousand) and interest accrued on Term Deposit Receipt Rs Nil (2022: Rs 269 thousand), respectively.

	2023	2022
13. ADVANCE TAX - NET	Rupees in thousand	
Balance at the beginning of the year	**33,116**	36,767
Advance tax paid during the year	**35,290**	59,482
Tax charge for the year	**(72,226)**	(63,133)
Advance tax/ (tax payable) at the end of the year	**(3,820)**	33,116

14. SHORT-TERM INVESTMENTS

This represent Term Deposit Receipt (TDR) placed with commercial bank at the year end June 30, 2022. It carried mark-up at rate of 8.55% (2022: 6.35%) per annum and matured on November 25, 2022.

	Note	2023	2022
15. CASH AND BANK BALANCES		Rupees in thousand	
At banks			
- in current accounts		**80,905**	22,678
- in saving accounts	15.1	**3,323**	2,937
		84,228	25,615
Cash in hand		**100**	100
		84,328	25,715

15.1 This represent dividend account balance, maintained separately and carries mark-up at the rate of 19.5% (2022: 7.52%) per annum.

16. SHARE CAPITAL

16.1 Authorized share capital

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

16.2 Issued, subscribed and paid-up capital

2023	2022		2023	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
48,258,417	41,963,841		**482,584**	419,638

16.3 The Company in its 31st annual general meeting dated October 28, 2022 approved issue of bonus shares at 15% i.e. 15 shares for every 100 shares held. As a result 6,294,576 bonus shares issued from revenue reserve.

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 M/s Iqbal A. Nanjee & Co. as at June 30, 2023. For valuation of these items, the current market price or depreciated replacement cost method is used, whereby, current purchase / construction cost of similar items in similar locations has been adjusted using suitable depreciation rates to arrive at present market value. This technique requires significant judgment as to estimating the revalued amount in terms of their quality, structure, layout and locations. Movement during the year is as follows:

	Note	**2023**	2022
		Rupees in thousand	
Balance at the beginning of the year		**227,635**	160,663
Add: surplus on revaluation carried-out during the year		**164,863**	89,141
Reversal of surplus on recognition of impairment loss on idle machinery		**(5,101)**	-
Incremental depreciation transferred to unappropriated profits		**(29,722)**	(22,169)
		357,675	227,635
Less: deferred tax on			
- Balance at beginning of the year		**(44,055)**	(39,430)
- surplus for the year		**(51,857)**	(11,054)
- deferred tax on reversal of revaluation surplus for the year		**1,683**	-
- incremental depreciation charged during the year		**9,808**	6,429
		(84,421)	(44,055)
Balance at the end of the year	17.1	**273,254**	183,580

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.

18 LONG TERM FINANCES - SECURED

	Note	**2023**	2022
		Rupees in thousand	
Loans from banking companies - secured			
Askari Bank Limited	18.1 & 18.6	**-**	19,247
Bank Al-Habib Limited - I	18.2	**36,000**	52,000
Bank Al-Habib Limited - II	18.3 & 18.6	**28,523**	35,541
PAIR Investment Company Limited - I	18.4	**20,976**	26,987
JS Bank Limited	18.5 & 18.6	**-**	13,264
		85,499	147,039
Less: current portion of long term finances		**(30,969)**	(62,696)
Amount due after June 30, 2023		**54,530**	84,343

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 was 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 was 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 certain loan arrangements, the respective lenders have waived the requirements of certain covenants of the respective loan agreements. Accordingly, the liabilities under those loan agreements continue to be classified as per the repayment schedule applicable in respect of the respective loan agreements.

19 DEFERRED GOVERNMENT GRANT

	2023	2022
	Rupees in thousand	
Balance at the beginning of the year	**3,103**	6,029
Loans proceeds received	**-**	8,142
Present value of future cash flows		
Discounted at market interest rate	**-**	(6,963)
Amount recognised as deferred grant	**-**	1,179
Amortisation of deferred grant	**(1,320)**	(4,105)
	1,783	3,103
Less: Current portion shown under current liabilities	**(847)**	(1,320)
	936	1,783

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.

20 LEASE LIABILITIES

	Note	2023	2022
		Rupees in thousand	
Balance at the beginning of the year		**177,537**	197,417
Additions during the year		**27,218**	74,673
Unwinding of interest on lease liabilities		**18,484**	17,610
Payments made during the year		**(141,565)**	(112,163)
		81,674	177,537
Less: Current portion shown under current liabilities	26	**(30,534)**	(108,827)
		51,140	68,710

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 2023. 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 24.24% (2022: 4.25% to 16.91%) per annum.

		Note	2023	2022
			Rupees in thousand	
20.2	Interest expense on leased liabilities	34	**18,484**	17,610
	Expense related to short term leases		**39,253**	25,232

21 DEFERRED TAX LIABILITIES - NET

	Note	2023	2022
Taxable temporary differences arising in respect of:			
Accelerated depreciation and amortization		**186,887**	121,003
Revaluation on surplus of property, plant and equipment		**84,421**	56,910
Right-of-use-assets		**43,520**	57,227
		314,828	235,140
Deductible temporary differences arising in respect of:			
Staff retirement benefit - gratuity		**(14,433)**	(10,359)
Carried forward tax losses	21.2	**(11,955)**	(20,971)
Minimum tax	21.2	**(246,955)**	(178,593)
Provisions		**(8,660)**	(8,503)
		(282,003)	(218,426)
		32,825	16,714

21.1 Movement of deferred tax is as follows:

	2023	2022
Balance at the beginning of the year	**16,714**	22,144
Deferred tax recognized in statement of profit or loss	**(31,373)**	(17,594)
Recognized in other comprehensive income	**47,484**	12,164
	32,825	16,714

21.2 The deferred tax asset in respect of tax losses and tax credits 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.The minimum tax credits expire as follows:

Deferred tax asset available till tax year 2024	**34,758**
Deferred tax asset available till tax year 2025	**96,554**
Deferred tax asset available till tax year 2026	**115,643**

			2023	2022
			Rupees in thousand	
22	**EMPLOYEES' RETIREMENT BENEFITS**			
	Staff retirement gratuity - net	22.1	**43,738**	33,418
22.1	Reconciliation of the liability recognized in the statement of financial position			
	Present value of defined benefit obligation		**44,313**	33,910
	Fair value of plan assets	22.3	**(575)**	(492)
	Liability at the end of the year		**43,738**	33,418
22.2	**Movement in the net liability recognised in the statement of financial position**			
	Balance at the beginning of the year		**33,418**	33,979
	Expense recognized in statement of profit or loss		**8,187**	7,717
	Contributions to fund		**(6,020)**	(4,450)
	Remeasurement (gain) / loss in other comprehensive income		**8,153**	(3,828)
			43,738	33,418
22.3	**Movement in the fair value of plan assets**			
	Balance at the beginning of the year		**492**	1,137
	Contributions during the year		**6,020**	4,450
	Return on plan assets		**66**	84
	Benefits paid		**(6,012)**	(5,046)
	Actuarial loss on plan assets		**9**	(133)
			575	492

		2023	2022	**2023**	2022
		--- Percentage ---		Rupees in thousand	
22.4	**Fair value of plan assets**				
	Saving accounts	**38.74%**	36.79%	**223**	181
	Investments	**61.23%**	63.21%	**352**	311
		100.00%	100.00%	**575**	492

		2023	2022
22.5	**Movement in the present value of defined benefit obligation:**		
	Opening balance of defined benefit obligation	**33,910**	35,116
	Current service cost	**4,158**	4,542
	Interest cost on defined benefit obligation	**4,095**	3,259
	Benefits paid	**(6,012)**	(5,046)
	Remeasurement (gain) / loss charged in other comprehensive income	**8,162**	(3,961)
		44,313	33,910

		Note	**2023**	2022
			Rupees in thousand	
22.6	**Expense recognized in statement of profit or loss is as follows:**			
	Current service cost		**4,158**	4,542
	Interest cost on defined benefit obligation		**4,095**	3,259
	Return on plan assets		**(66)**	(84)
			8,187	7,717

22.7 Expected future provision for the year ending June 30, 2024 is Rs 12,441 thousand.

		2023	2022
22.8	**Remeasurement gain / (loss) in other comprehensive income are as follows:**		
	Actuarial gains from changes in financial assumptions	**(1,311)**	(2,049)
	Experience adjustments	**9,473**	(1,912)
	Remeasurement loss on defined benefit obligation	**8,162**	(3,961)
	Actuarial loss on plan assets	**(9)**	133
		8,153	(3,828)

22.9 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 2023	44,313	8,162
June 2022	33,910	(3,961)
June 2021	35,116	(986)
June 2020	133,820	(17,256)
June 2019	125,695	429

		2023	2022
		Rupees in thousand	
22.10	**Year End Sensitivity Analysis (± 100 bps) on Defined Benefit Obligation**		
	Discount Rate + 100 bps	**41,090**	31,306
	Discount Rate - 100 bps	**48,012**	36,922
	Salary Increase + 100 bps	**48,088**	36,997
	Salary Increase - 100 bps	**40,964**	31,192

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

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

	2023	2022
Discount rate per annum (%)	**16.25%**	13.25%
Expected rate of increase in salary level per annum (%) - for future years	**16.25%**	13.25%
Average expected remaining working life time of employees	**8 years**	8 years

22.12 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.

22.13 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 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.

		2023	2022
		Rupees in thousand	
23	**TRADE AND OTHER PAYABLES**		
	Trade creditors	**284,339**	280,304
	Accrued and other liabilities	**71,006**	97,046
	Payable to provident fund	**-**	1,527
	Sales tax payable	**35,652**	48,671
	Withholding taxes payable	**3,951**	2,713
	Workers' profit participation fund payable	**4,880**	8,341
	Workers' welfare fund payable	**358**	2,870
		400,186	441,472

24 CONTRACT LIABILITIES

	2023	2022
Advances from customers	**20,296**	36,994

This represents advances received from customers in the ordinary course of business. Revenue recognised from opening balance of contract liabilities is Rs 36,994 thouand (2022: Rs 5,890 thousand).

25 SHORT TERM BORROWINGS AND RUNNING FINANCE - SECURED

	Note	Facility Amount	2023	2022
			Rupees in thousand	
Short term borrowings - secured	**25.1**	1,160,000	**1,099,683**	606,640
Short term running finance - secured	**25.2**	75,000	**24,588**	202
		1,235,000	**1,124,271**	606,842
25.1 From banking companies - Secured				
- Inland bills purchased - IBPs		300,000	**289,188**	139,355
- Finance against trust receipt		860,000	**767,027**	457,062
		1,160,000	**1,056,215**	596,417
Others				
- Accrued mark-up on short term borrowings		-	**43,468**	10,223
		1,160,000	**1,099,683**	606,640

25.1.1 The Company has obtained short term borrowing 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 1.0% to 1.5% (2022: 3 Months KIBOR plus 1.25% to 1.5%) per annum.

25.1.2 These borrowings are secured by first pari passu and ranking hypothecation charges of entire present and future current assets, equitable mortgage of property of the Company.

25.2 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 1.0% to 1.5% (2022: 3 Months KIBOR plus 1.25% to 1.5%) per annum. Running finance 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, carrying mark-up ranges from 1-3 months KIBOR plus 1.25% to 1.5% (2022: 1.25% to 1.5%)

26. CURRENT MATURITY OF NON-CURRENT LIABILITIES

	Note	2023	2022
		Rupees in thousand	
Current portion of long term loans	18	**30,969**	62,696
Current portion of lease liabilities	20	**30,534**	108,827
Current portion of deferred government grant	19	**847**	1,320
Accrued mark-up on long term loans		**2,857**	2,855
Accrued mark-up on lease liabilities		**616**	1,933
		65,823	177,631

27. CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 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.

27.1.2 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.

27.1.3 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.

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.

27.2 Commitments

27.2.1 Bank guarantees have been issued by two financial institutions of the Company for an aggregate amount of Rs 7,154 thousand (2022: Rs 63,230 thousand) in favor of the Company's fuel and utility suppliers.

28. REVENUE FROM CONTRACTS WITH CUSTOMERS - NET

	2023	2022
	Rupees in thousand	
Sales-Local		
- PET Preforms	**2,690,016**	2,933,671
- PET Bottles	**4,003,602**	2,956,014
	6,693,618	5,889,685
Less: Sales tax		
- PET Preforms	**(403,910)**	(427,990)
- PET Bottles	**(597,417)**	(430,293)
	(1,001,327)	(858,283)
- Sales returns and discounts	**(2,798)**	(6,190)
Total Sales tax and discounts	**(1,004,125)**	(864,473)
	5,689,493	5,025,212

	Note	2023	2022
		Rupees in thousand	
29. COST OF SALES			
Raw material consumed		**3,814,259**	3,461,018
Packing material consumed		**218,857**	160,100
Stores, spares and loose tools consumed		**85,154**	50,598
Salaries, wages and other benefits	29.1	**302,758**	254,249
Utilities		**519,350**	408,138
Travelling and conveyance		**18,641**	9,959
Vehicle running and maintenance		**15,202**	8,928
Rent, rates and taxes		**36,147**	22,874
Repair and maintenance		**11,822**	9,231
Safety and security		**13,817**	10,389
Medical		**9,205**	7,698
Communication charges		**2,496**	2,424
Printing, postage and stationery		**3,457**	3,019
Technical testing and analysis		**896**	836
Fees, subscription and professional charges		**2,379**	965
Entertainment		**1,011**	1,069
Staff welfare & support		**8,163**	5,766
Depreciation	6.6	**136,567**	122,794
Provision for slow moving stock in trade		**441**	(2,124)
Others		**267**	191
		5,200,889	4,538,122
Work-in-process - opening		**117,973**	203,474
Work-in-process - closing		**(228,532)**	(117,973)
		(110,559)	85,501
Cost of goods manufactured		**5,090,330**	4,623,623
Finished goods - opening		**128,815**	43,929
Finished goods - closing		**(111,696)**	(128,815)
		17,119	(84,886)
		5,107,449	4,538,737

29.1 This includes an amount of Rs 12,961 thousand (2022: Rs 11,971 thousand), in respect of employees' retirement benefits.

		Note	2023	2022
			Rupees in thousand	
30.	**SELLING EXPENSES**			
	Salaries and other benefits	30.1	**21,828**	19,712
	Freight charges		**104,198**	76,783
	Vehicle running and maintenance		**4,725**	2,680
	Travelling and conveyance		**2,589**	2,164
	Rent, rates and taxes		**834**	752
	Communications		**550**	574
	Entertainment		**559**	469
	Repair and maintenance		**471**	526
	Utilities		**1,065**	625
	Printing and stationery		**62**	36
	Advertisement and sales promotion		**84**	188
	Others		**-**	1
			136,965	104,510

30.1 This includes an amount of Rs 1,655 thousand (2022: Rs 1,537 thousand), in respect of employees' retirement benefits.

		Note	2023	2022
			Rupees in thousand	
31.	**ADMINISTRATIVE AND GENERAL EXPENSES**	Note		
	Salaries and other benefits	31.1	**72,719**	66,216
	Directors' meeting fee		**6,500**	5,900
	Legal and professional charges		**9,245**	6,979
	Vehicle running and maintenance		**10,530**	4,850
	Medical		**2,140**	2,021
	Rent, rate and taxes		**2,272**	1,606
	Auditors' remuneration	31.2	**2,890**	2,305
	Courses, seminar and subscription		**2,870**	1,767
	Repair and maintenance		**2,208**	2,158
	Safety & security		**221**	1,096
	Travelling and conveyance		**6,237**	4,090
	Utilities		**800**	630
	Entertainment		**1,070**	1,146
	Communications		**326**	789
	Printing and stationery		**128**	71
	Advertisement		**307**	194
	Depreciation and amortization	6.6 & 7	**12,754**	10,584
	Others		**60**	46
			133,277	112,448

31.1 This includes an amount of Rs 3,562 thousand (2022: Rs 3,219 thousand), in respect of staff retirement benefits.

		Note	2023	2022
			Rupees in thousand	
31.2	**Auditors' Remuneration**			
	Statutory audit		**1,725**	1,500
	Half year review		**575**	500
	Review of code of corporate governance and other services		**150**	125
	Tax services		**250**	-
	Out-of-pocket expenses		**190**	180
			2,890	2,305
32.	**OTHER EXPENSES**			
	Workers' Welfare Fund		**358**	2,154
	Workers' Profit Participation Fund		**4,282**	7,757
	Donation - without directors' interest		**171**	138
	Impairment on idle machinery	32.1	**8,087**	-
	Advances written off		**-**	104
			12,898	10,153

32.1 The management has assessed that one of the Injection machines i.e., Premax-32, is no longer useable and accordingly has recorded impairment.

		Note	2023	2022
			Rupees in thousand	
33.	**OTHER INCOME**			
	Income from financial assets			
	Interest income on bank deposits and short-term investments		**334**	446
	Income from other than financial assets			
	Gain on Scrap sales - net of expenses		**524**	6,694
	Gain on disposal of property, plant and equipment		**929**	811
	Write back of liabilities		**3,786**	1,667
	Others		**73**	-
			5,646	9,618

		Note	2023	2022
			Rupees in thousand	
34.	**FINANCE COST**			
	Mark-up on:			
	Long term finances		**14,629**	13,902
	Short-term borrowings		**183,718**	80,364
			198,347	94,266
	Unwinding of interest on lease liabilities	20	**18,484**	17,610
	Bank and other charges		**7,039**	10,514
			223,870	122,390
35.	**TAXATION**			
	Current tax		**72,226**	63,133
	Deferred tax		**(31,373)**	(17,594)
			40,853	45,539
35.1	Reconciliation of income tax expense and accounting profit:			
	Profit before taxation		**80,996**	145,718
	Applicable company's tax rate		**29%**	29%
	Tax charge at the applicable tax rate		**23,489**	**42,258**
	Effect of change in rate of tax for deferred tax		**12,600**	**-**
	Expenses not allowed for tax		**50**	**-**
	Other differences		**4,714**	**3,281**
			40,853	**45,539**
36.	**EARNINGS PER SHARE - BASIC AND DILUTED**			
36.1	Profit after taxation (Rupees in '000')		**40,143**	100,179
	Weighted average number of ordinary shares		**48,258,417**	48,258,417
	Earnings per share - basic and diluted (Rupees) - 2022 restated to consider impact of bonus issue		**0.83**	2.08

36.2 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, 2023, which would have effect on the basic EPS, if the option to convert would have been exercised.

		Note	2023	2022
			Rupees in thousand	
37.	**CASH AND CASH EQUIVALENTS**			
	Cash and bank balances	15	**84,328**	25,715
	Short-term running finance - secured	25	**(24,588)**	(202)
			59,740	25,513

38. SEGMENT REPORTING

38.1 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/ receive from customers 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/ receive from customers 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.

38.2 Information about reportable segments

Information related to each reportable segment is set out below. Segment profit 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	
	2023	2022	**2023**	2022	**2023**	2022
	Rupees in thousand					
Total Revenue	**3,977,290**	4,069,721	**3,404,851**	2,523,037	**7,382,141**	6,592,758
Less: Intersegment sales (eliminated)	**(1,692,648)**	(1,567,546)	**-**	-	**(1,692,648)**	(1,567,546)
Revenue-net	**2,284,642**	2,502,175	**3,404,851**	2,523,037	**5,689,493**	5,025,212
Total Cost of Sales	**(2,099,396)**	(2,347,643)	**(4,700,701)**	(3,835,423)	**(6,800,097)**	(6,183,066)
Less: Intersegment cost (eliminated)	**-**	-	**1,692,648**	1,567,546	**1,692,648**	1,567,546
Cost of sales-net	**(2,099,396)**	(2,347,643)	**(3,008,053)**	(2,267,877)	**(5,107,449)**	(4,615,520)
Gross profit	**185,246**	154,532	**396,798**	255,160	**582,044**	409,692
Selling expenses	**(54,999)**	(13,806)	**(81,966)**	(13,921)	**(136,965)**	(27,727)
Administrative expenses	**(53,518)**	(55,991)	**(79,759)**	(56,457)	**(133,277)**	(112,448)
Net impairment gain/(loss) on financial assets	**127**	(435)	**189**	(439)	**316**	(874)
	(108,390)	(70,232)	**(161,536)**	(70,817)	**(269,926)**	(141,049)
Operating profit	**76,856**	84,300	**235,262**	184,343	**312,118**	268,643
Segment assets	**1,487,969**	1,206,098	**1,222,795**	1,146,152	**2,710,764**	2,352,250
Unallocated assets	**-**	-	**-**	-	**265,518**	149,647
	1,487,969	1,206,098	**1,222,795**	1,146,152	**2,976,282**	2,501,897
Segment liabilities	**878,788**	745,431	**839,041**	674,011	**1,717,829**	1,419,442
Unallocated liabilities	**-**	-	**-**	-	**83,132**	51,402
	878,788	745,431	**839,041**	674,011	**1,800,961**	1,470,844
Capital expenditure	**64,660**	51,941	**23,765**	26,022	**88,425**	77,963
Unallocated capital expenditure	**-**	-	**-**	-	**46,368**	42,799
	64,660	51,941	**23,765**	26,022	**134,793**	120,762

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

	2023	2022
	Rupees in thousand	
Operating profit of the reportable segments	**312,118**	268,643
Add: other income	**5,646**	9,618
Less: other expenses	**(12,898)**	(10,153)
Finance cost	**(223,870)**	(122,390)
Profit before taxation as per statement of profit or loss	**80,996**	145,718

39. FINANCIAL INSTRUMENTS

39.1 Financial assets and liabilities

	Amortised Cost	Fair value through profit and loss	Fair value through other comprehensive income	Total
June 30, 2023	-------------- Rupees in thousand --------------			
Financial assets:				
Maturity upto one year				
Trade debts	**545,334**	**-**	**-**	**545,334**
Loans and advances	**10,238**	**-**	**-**	**10,238**
Deposits, prepayments and other receivables	**11,104**	**-**	**-**	**11,104**
Cash and bank balances	**84,328**	**-**	**-**	**84,328**
Maturity above one year				
Long term deposits	**-**	**13,821**	**-**	**13,821**
	651,004	**13,821**	**-**	**664,825**
Financial liabilities:				
Maturity upto one year				
Employees' retirement benefits	**43,738**	**-**	**-**	**43,738**
Trade and other payables	**355,345**	**-**	**-**	**355,345**
Short term borrowings and running finance-secured	**1,124,271**	**-**	**-**	**1,124,271**
Current maturity of non-current liabilities	**65,823**	**-**	**-**	**65,823**
Unclaimed dividend	**3,396**	**-**	**-**	**3,396**
Maturity above one year				
Long term finances - secured	**54,530**	**-**	**-**	**54,530**
Lease liabilities	**51,140**	**-**	**-**	**51,140**
	1,698,243	**-**	**-**	**1,698,243**
June 30, 2022				
Financial assets:				
Maturity upto one year				
Trade debts	440,522	-	-	440,522
Loans and advances	14,627	-	-	14,627
Deposits, prepayments and other receivables	3,154	75		3,229
Short-term investments	7,125	-	-	7,125
Cash and bank balances	25,615	-	-	25,615
Maturity above one year				
Long term deposits	-	12,609	-	12,609
	491,043	12,684	-	503,727
Financial liabilities:				
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
	1,317,466	-	-	1,317,466

40. FINANCIAL RISK MANAGEMENT

40.1 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, 2023		June 30, 2022	
	Gross carrying value	Loss allowance	Gross carrying value	Loss allowance
	----------------- Rupees in thousand -----------------			
Current (not past due)	**380,396**	**(2,024)**	399,921	(1,821)
1–30 days past due	**167,170**	**(2,089)**	37,433	(389)
31–60 days past due	**1,118**	**(136)**	876	(104)
61–90 days past due	**7**	**(3)**	4,835	(1,696)
More than 90 days past due	**1,635**	**(741)**	2,766	(1,299)
	550,326	**(4,993)**	445,831	(5,309)

ECL on other receivables is calculated using simplified 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, 2023 and June 30, 2022 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.

	2023	2022
	(Rupees in thousand)	
Counterparties without external credit rating		
Trade debts	**545,334**	440,522
Loans and advances	**10,238**	14,627
Deposits, prepayments and other receivables	**11,104**	3,229
	566,676	458,378

Counterparties with external credit rating

	Long-term rating	**Rating agency**	**2023**	2022
			(Rupees in thousand)	
Short-term investments				
Bank Al-Habib Limited	AAA	**PACRA**	**-**	7,125
Bank balances				
Bank Al-Habib Limited	AAA	**PACRA**	**7,509**	17,192
Askari Bank Limited	AA+	**PACRA**	**70,581**	5,866
MCB	AAA	**PACRA**	**1,071**	2,095
The Bank of Khyber	A+	**PACRA**	**3,957**	180
National Bank Limited	AAA	**PACRA**	**259**	259
JS Bank	AA-	**PACRA**	**-**	23
Bank Islami	A+	**PACRA**	**851**	-
			84,228	25,615

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 -------------------				
As at June 30, 2023					
Long term finance - secured	**85,499**	**107,870**	**40,403**	**67,467**	**-**
Lease liabilities	**81,674**	**103,044**	**38,595**	**60,628**	**3,821**
Trade and other payables	**355,345**	**355,345**	**355,345**	**-**	**-**
Unclaimed dividend	**3,396**	**3,396**	**3,396**	**-**	**-**
Short term borrowings - secured	**1,099,683**	**1,099,683**	**1,099,683**	**-**	**-**
Short term running finance - secured	**24,588**	**24,588**	**24,588**	**-**	**-**
	1,650,185	**1,693,926**	**1,562,010**	**128,095**	**3,821**
As at June 30, 2022					
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	-	-
	1,313,232	1,363,773	1,185,218	169,098	9,457

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.

	2023	2022
	(Rupees in thousand)	
Foreign currency liabilities of the Company are as follows:		
Trade and other payables	**41,307**	1,238
	41,307	1,238

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:

	2023	2022
	(Rupees in thousand)	
Gross exposure on statement of profit or loss	**4,131**	124
Net of tax exposure on statement of profit or loss	**2,933**	88

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.

		2023	2022
		Rupees	
Average rate for the year	**USD**	**248.33**	182.25
Reporting date rate	**USD**	**286.57**	206.00

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.

	2023	2022	Carrying Amount 2023	2022
			(Rupees in thousand)	
Fixed rate instruments				
Financial assets			-	-
Financial liabilities	**4.5%- 5.0%**	4.5%- 5.0%	58,738	72,539
Variable rate instruments				
Financial assets	19.5%	6.35%- 7.52%	3,323	10,062
Financial liabilities	3month KIBOR + 1.0% to 1.5%	3month KIBOR + 1.25% to 1.5%	1,189,238	848,656

Sensitivity analysis

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

	2023	2022
	(Rupees in thousand)	
Gross exposure on statement of profit or loss		
Financial Assets	**33**	101
Financial Liabilities	**12,480**	9,314
	12,513	9,415
Net of tax exposure on statement of profit or loss		
Financial Assets	**24**	71
Financial Liabilities	**8,861**	6,613
	8,885	6,685

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.

40.2 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.

The Company has complied with this covenants throughout the reporting period. As at June 30, 2023, the current ratio is 0.85 (2022 : 0.82). However, the Company has obtained waiver letters from the respective financial institutions for the year ended June 30, 2023 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:

	2023	2022
	(Rupees in thousand)	
Long term finances - secured	**85,499**	147,039
Lease liabilities	**81,674**	177,537
Employees' retirement benefits	**43,738**	33,418
Trade and other payables	**400,186**	478,466
Unclaimed dividend	**3,396**	2,937
Short term borrowings - secured	**1,099,683**	606,640
Short term running finance - secured	**24,588**	202
Less: cash and cash equivalents	**84,328**	25,715
Net debt	**1,823,092**	1,471,954
Issued, subscribed and paid-up capital	**482,584**	419,638
Revenue reserve - Unappropriated profits	**419,483**	427,835
Surplus on revaluation of property, plant and equipment	**273,254**	183,580
Total capital	**1,175,321**	1,031,053
Capital and net debt	**2,998,413**	2,503,007
Gearing ratio	**0.61**	0.59

40.3 Off-setting of financial assets and liabilities

For the year ended June 30, 2023, no financial assets and liabilities were subject to offsetting.

41. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

41.1 Fair value hierarchy

Certain property, plant and equipment of the Company was valued by independent valuer M/s. Iqbal A. Nanjee & Co. to determine the fair value of property, plant and equipment as at June 30, 2023. The revaluation surplus was credited to other comprehensive income and is shown as ‘surplus on revaluation of property, plant and equipment’. The different levels have been defined as follows:

- Level 1
  Quoted prices (unadjusted) in active 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.

42. 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	Surplus on revaluation of PPE	Un - appropriated profits	
					Rupees in thousand			
Balance at July 01, 2022	**606,640**	**202**	**177,537**	**147,039**	**419,638**	**183,580**	**427,835**	**1,962,471**
Changes from financing cash flows								
Proceeds from loans	**3,212,898**	**24,386**	**-**	**-**	**-**	**-**	**-**	**3,237,284**
Repayment of loans	**(2,719,855)**	**-**	**-**	**(62,860)**	**-**	**-**	**-**	**(2,782,715)**
Repayment of lease liabilities	**-**	**-**	**(141,565)**	**-**	**-**	**-**	**-**	**(141,565)**
Total changes from financing cash flows	**493,043**	**24,386**	**(141,565)**	**(62,860)**	**-**	**-**	**-**	**313,004**
Other changes								
Liability related								
Finance leases obtained	**-**	**-**	**27,218**	**-**	**-**	**-**	**-**	**27,218**
Unwinding of interest on lease liabilities	**-**	**-**	**18,484**	**-**	**-**	**-**	**-**	**18,484**
Finance cost expense for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Finance cost paid - short-term borrowings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Transferred to deferred grant	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Amortisation of deferred grant	**-**	**-**	**-**	**1,320**	**-**	**-**	**-**	**1,320**
Total liability related other changes	**-**	**-**	**45,702**	**1,320**	**-**	**-**	**-**	**47,022**
Equity related								
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**109,588**	**34,680**	**144,268**
Transfer of incremental depreciation	**-**	**-**	**-**	**-**	**-**	**(19,914)**	**19,914**	**-**
Issue of bonus shares	**-**	**-**	**-**	**-**	**62,946**	**-**	**(62,946)**	**-**
Total equity related other changes	**-**	**-**	**-**	**-**	**62,946**	**89,674**	**(8,352)**	**144,268**
Balance at June 30, 2023	**1,099,683**	**24,588**	**81,674**	**85,499**	**482,584**	**273,254**	**419,483**	**2,466,765**
Balance at July 1, 2022	595,040	-	197,417	218,074	381,489	121,233	347,347	1,860,600
Changes from financing cash flows								
Proceeds from loans	3,183,921	202	-	4,416	-	-	-	3,188,539
Repayment of loans	(3,172,891)	-	-	(78,377)	-	-	-	(3,251,268)
Payment of lease liabilities	-	-	(112,163)	-	-	-	-	(112,163)
Total changes from financing cash flows	11,030	202	(112,163)	(73,961)	-	-	-	(174,892)
Other changes								
Liability related								
Decrease in short-term running finance	-	-	74,673	-	-	-	-	74,673
Finance cost paid - short-term borrowings	-	-	17,610	-	-	-	-	17,610
Transferred to deferred grant	90,943	-	-	-	-	-	-	90,943
Amortisation of deferred grant	(90,373)	-	-	-	-	-	-	(90,373)
Leases obtained	-	-	-	(1,179)	-	-	-	(1,179)
Finance cost expense for the year	-	-	-	4,105	-	-	-	4,105
Total liability related other changes	570	-	92,283	2,926	-	-	-	95,779
Equity related								
Total comprehensive income for the year	-	-	-	-	-	78,087	102,897	180,984
Transfer of incremental depreciation	-	-	-	-	-	(15,740)	15,740	-
Issue of bonus shares	-	-	-	-	38,149	-	(38,149)	-
Total equity related other changes	-	-	-	-	38,149	62,347	80,488	180,984
Balance at June 30, 2022	606,640	202	177,537	147,039	419,638	183,580	427,835	1,962,471

43. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive		Directors		Executives	
	2023	2022	**2023**	2022	**2023**	2022
	------------------------ Rupees in thousand ------------------------					
Meeting fee	**-**	-	**6,500**	5,900	**-**	-
Managerial remuneration	**24,351**	22,758	**-**	-	**42,024**	33,345
Bonus	**-**	-	**-**	-	**-**	-
Employee benefits	**2,435**	2,276	**-**	-	**25,827**	20,493
Company's contribution to provident and gratuity fund	**-**	-	**-**	-	**5,406**	4,308
Other perquisites	**1,593**	1,628	**-**	-	**4,894**	3,731
	28,379	26,661	**6,500**	5,900	**78,151**	61,878
Number of persons	**1**	1	**11**	6	**16**	13

43.1 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.

44. GENERAL

44.1 Plant Capacity and Actual Production

	2023	2022
Blowing		
Capacity - no. of bottles (in '000)	**327,144**	327,144
Production - no. of bottles (in '000)	**186,591**	181,896
Utilization	**57%**	56%
Injection		
Capacity - no. of preforms (in '000)	**728,864**	728,864
Production - no. of preforms (in '000)	**432,383**	456,581
Utilization	**59%**	63%

Reason for under-utilization of capacity

Being seasonal nature of business, beverages and associated products have lower demand during winter season, therefore, production capacity during said period remain under-utilized, resulting in reduced capacity utilization over the year.

44.2 Number of employees

	2023	2022
Number of employees at June 30		
- Permanent	**219**	224
- Contractual	**449**	591
Average number of employees during the year		
- Permanent	**227**	231
- Contractual	**454**	430

44.3 Rounding off

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

45. 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:

	2023	2022
	Rupees in thousand	
Transactions during the year		
Contribution to staff provident fund	**21,378**	17,999
Contribution to employees' gratuity fund	**6,012**	4,450
Remuneration to key management personnel	**71,667**	59,815
Directors fee	**6,500**	5,900
Sales proceeds from disposal of car to CEO	**2,579**	-
Bonus shares issued	**15%**	10%

46. GENERAL

46.1 Seasonality

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

46.2 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.

Statement of financial position

Reclassified from	Reclassified to	Rupees in thousands
Trade and other payables	Contract liabilities	36,994

Statement of profit or loss

Reclassified from	Reclassified to	Rupees in thousands
Cost of sales	Selling & distribution expenses	76,783

47. DATE OF AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue by the Board of Directors of the Company on September 27, 2023.

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 32nd Annual General Meeting of the Company to be held on Friday October 27, 2023 ______________________________ and at any adjournment thereof. As witness I / We set my / our hand (s) this ______________ day of ______________ 2023 signed the said proxy in the presence of:

Witnesses:

1. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC
   or
   Passport No. ______________________________

Signature

Revenue Stamp

2. Signature: ______________________________
   Name: ______________________________
   Address: ______________________________
   ____
   CNIC
   or
   Passport No. ______________________________

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

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.

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