



Tri-Pack Films Limited

25 Years and Counting
Annual Report 2019



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Financial Statements

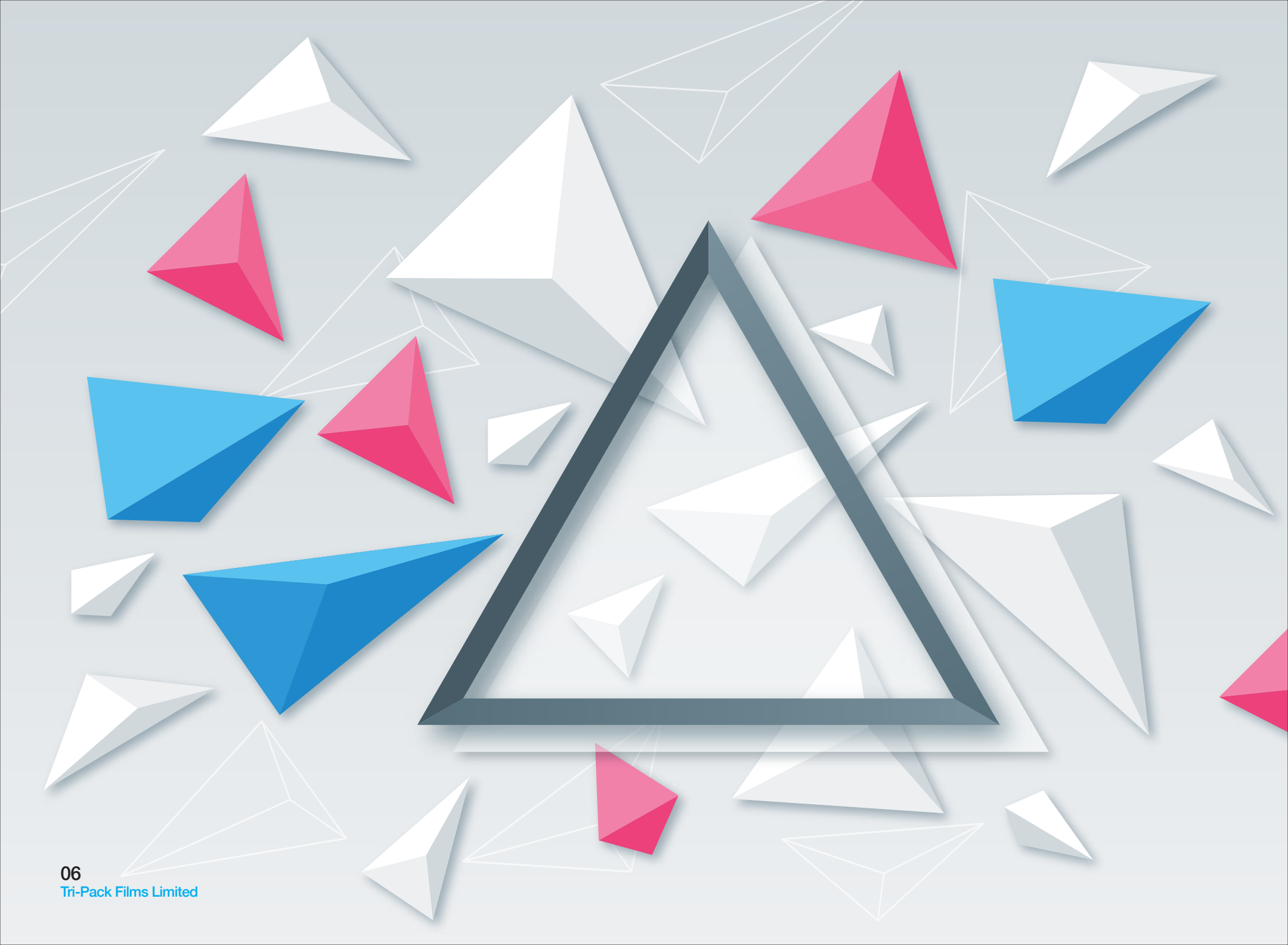
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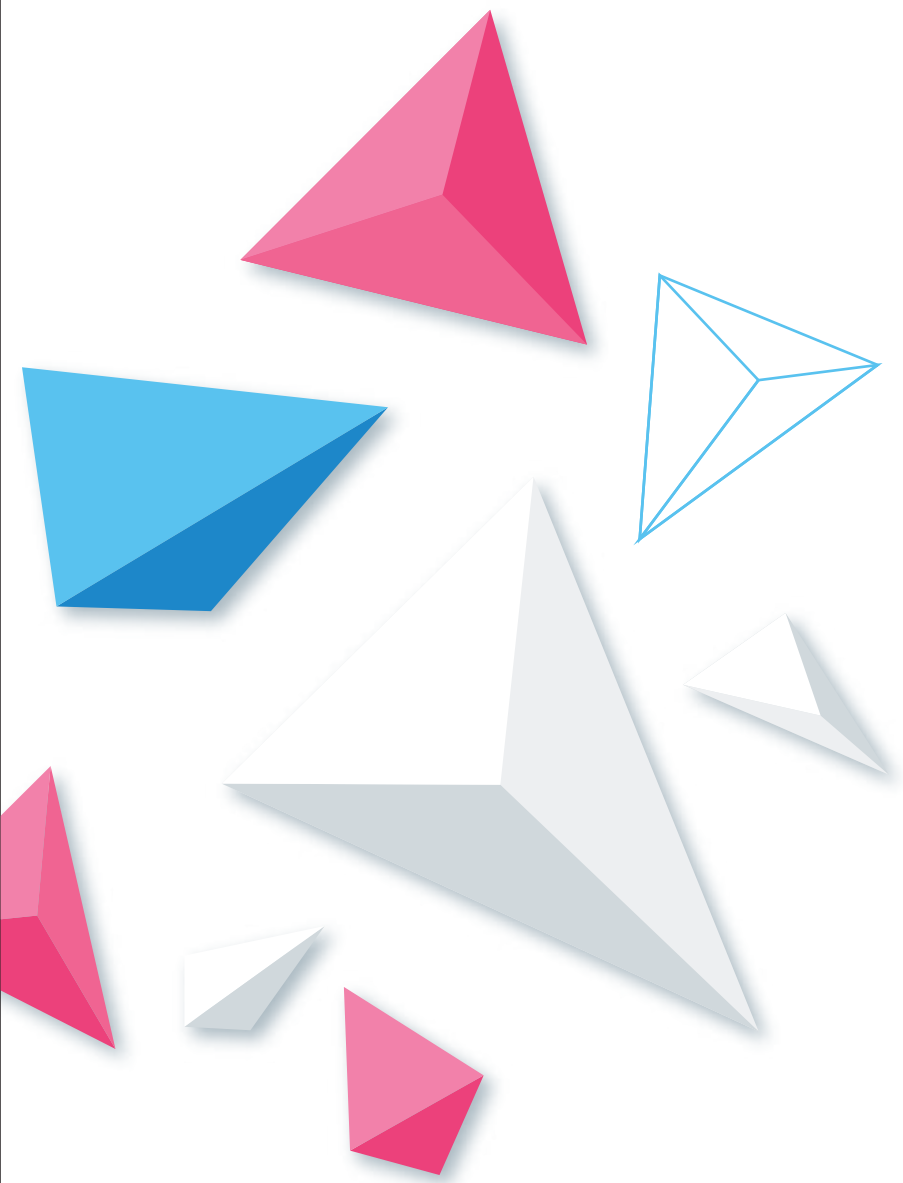


25 Years and Counting

2019 was a challenging year but also a special one. Tri-Pack Films Limited celebrated 25 years of operations, an event only made possible by responsible business management, innovative foresight, strategic leadership and untiring endeavours of our people.

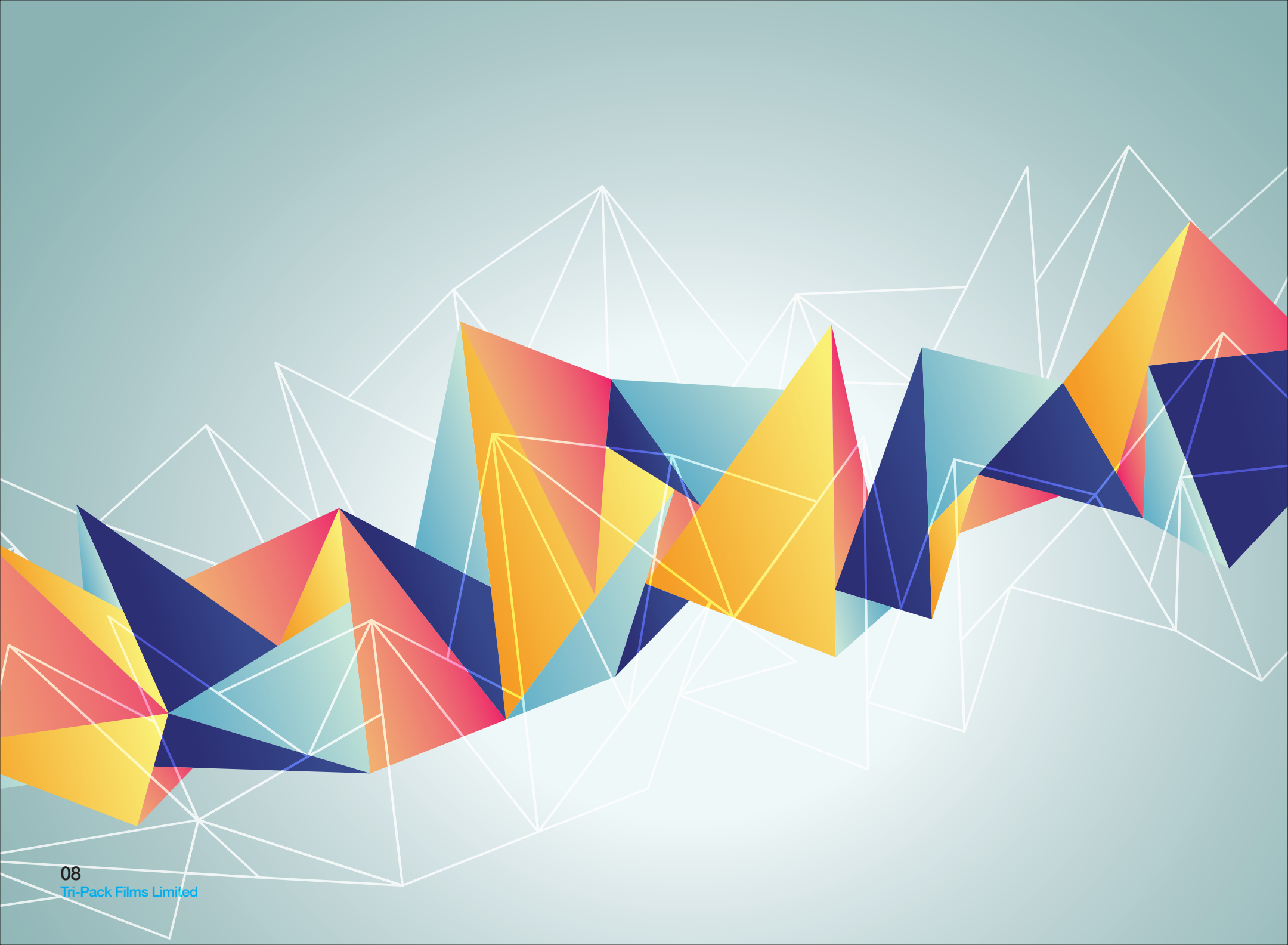






Vision

To enhance stakeholders' value by being a supplier of first choice whilst maintaining leadership position in domestic market and profitably expanding footprint in the international market.



Our Values

Values are reasons which we regard as higher than our self interests.

Care

Fairness and consideration are integral to our culture.

Respect

We treat people with respect and dignity.

Lead

We aspire to lead in everything that we do.

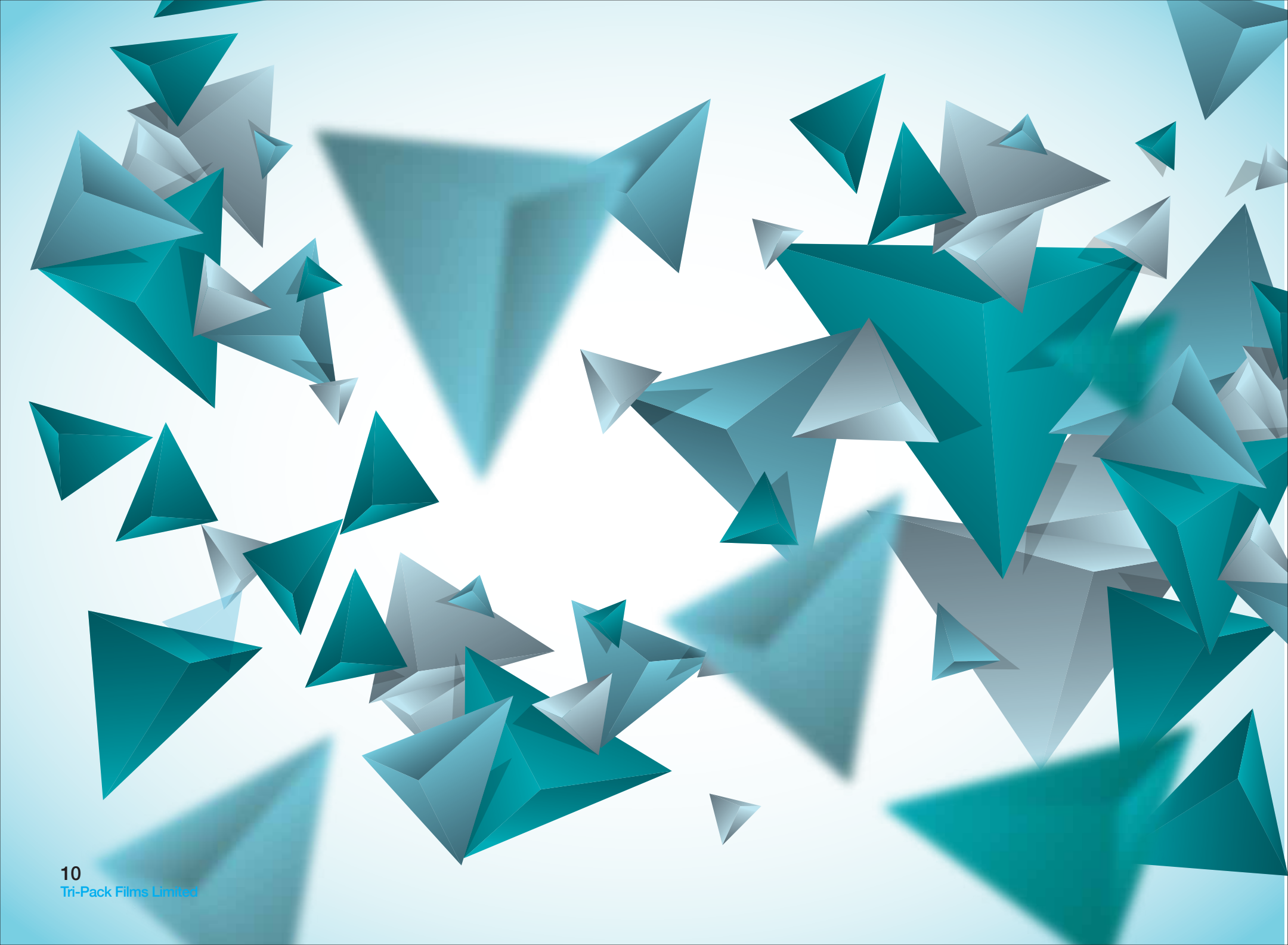
Honesty

Truthfulness, integrity and trust form the backbone of all our activities.

Courage

We stand up for what we believe in.







Mission Statement & Corporate Strategy

We will:

- satisfy our customers with timely supplies of products and services at economic prices, conforming to quality standards.
- achieve sustained growth to meet the demands of our customers' and stakeholders' expectations.
- continue developing new markets, products, applications and solutions in concert with our customers and suppliers.
- employ cost-effective technology to retain our competitive edge.
- nurture and inculcate a culture based on high ethical standards to meet our obligations towards the communities we operate in.
- attract, develop and retain talent through motivation, training, performance based rewards and providing growth opportunities.
- care for health and safety of our employees and stakeholders and play our due role towards the environmental requirements.



Code of Conduct and Ethics

Tri-Pack has adopted a unified code as a guidance and standard for the conduct of the Company and its employees and shareholders. This code sets out the way we do business and conduct ourselves and its compliance is mandatory across the organization. All employees are required to sign a compliance certification on an annual basis. Following are the key elements of the Code of Conduct:

- 1. Promote Fair Business Practices:** We understand and comply with applicable laws and regulations, relevant staff is trained periodically on all the applicable laws, particularly competition law. Participation in actions for restraint of trade, fixing of prices, volume etc or any form of activities restraining competition is strictly prohibited. We ensure that no conduct should give indication of unfair play or impairment of rights relating to counter parties.
- 2. Avoid Conflict of Interest:** All employees should maintain a clear distinction between corporate and private matters and affairs. Use of Company's tangible or intangible assets and resources outside Company's policy for personal gain and benefits is prohibited. Actions leading to personal benefit whether financial or otherwise or direct / indirect are expressly forbidden. Any proprietary or confidential information such as pricing, specifications, conditions, etc., shall not be disclosed outside.
- 3. Respect for Human Rights, Dignity and Equal Opportunity:** We as an organization understand and recognize human rights & dignity and its sensitivities. We respect an individual's customs, cultures and beliefs. Child labour, forced labour, harassment and abuse, explicitly or implicitly is strictly prohibited and condemned. No discrimination is done on the basis of gender, cast, religion or on any basis except the merit and requirements of the job, providing an equal opportunity to all the segments of society.
- 4. Proprietary and Confidential Information:** All employees are required to maintain the confidentiality of Company Information. Sensitive information including trade secrets, confidential and proprietary rights shall be protected and properly used for the benefit of Company only, whether before or after the end of employment. The Company also does not allow infringement of intellectual property rights belonging to others.
- 5. Open Communication:** In order to foster openness, integrity and reliability two way communication between employees and supervisors is encouraged in all aspects of work environment.
- 6. Place and Work Environment:** We as an organization promote sustainable use of resources; maintain safe, secure and healthy working conditions. The Company realises the importance of work life balance and we endeavour to maintain and assist our employees to balance their work with other priorities of life and family commitments.
- 7. Legal and Ethical Standards:** We at Tri-Pack never violate or evade law. We ensure compliance with all the applicable laws and rules. Report any unlawful activities or breach of law committed within the Company. Any form of bribery or shape is strictly prohibited. The Company shall not use illegal payments, bribes, kickbacks or other questionable inducements to influence government policy or any business transaction.
- 8. Compliance:** We always comply with laws, rules, regulations, international standards and internal regulations in our business conduct and reporting.
- 9. Participation in Politics:** Individuals are free to participate in politics in their personal life but that should not in any manner be reflected in their official and Company's activities. Political donations of all kinds and shape are prohibited.
- 10. Irregular Conduct, Fraud, Deception and Violation of Code:** Employees detecting and suspecting any incidents of irregular conduct, fraud, deception or violation of code are encouraged to bring it to the notice of their supervisor, if such supervisor is not responsive to the next level of manager. The procedure for dealing with Speak ups is in place and all the Speak ups are shared with the Board Audit Committee.
- 11. Related Party Transactions:** All commercial transactions between the Company and related parties shall be based on arm's length basis unless otherwise approved by the Board of Directors. The record of all related party transaction shall also be placed before the Board of Directors at each Board of Directors meeting for formal approval.



About us and Our Business

Tri-Pack Films Limited (Tri-Pack) – a joint venture between Mitsubishi Corporation of Japan and Packages Limited of Pakistan was incorporated as a Public Limited Company on April 29, 1993 to produce Biaxially Orientated Polypropylene (BOPP) Films in Pakistan. Its head office is based in Karachi and regional offices are located in Karachi, Lahore and Hattar where focus is to provide customers with dependable, economical and quality films backed by strong customer services. Tri-Pack is indeed proud of making distinctive contributions to the packaging industry in Pakistan.

Since inception the Company has been on a growth trajectory and has come a long way from one BOPP Line of 5,400 tons to four BOPP Lines of 66,800 tons and two CPP Lines of over 17,000 tons.

At Tri-Pack, our passion to cater to the needs of our customers lies at the heart of every endeavour. We go a long mile to get results, operate responsibly, apply innovative technology, execute with excellence, and capture new opportunities to create a wonderful world today for generations to come.

We aim to create long-term value for shareholders by catering to growing demands in a safe and responsible way. We not only strive to be a world-class operator, but also a responsible corporate citizen and an employer of choice.

Our people and our products are the hallmark of our success that give us the strength to endeavour to be amongst the front runners in delivering to our customers, shareholders and community.





Our Products

Tri-Pack offers wide range of Biaxially Oriented and Cast Polypropylene (BOPP & CPP) packaging films, which are carefully and diligently produced to not only meet the packaging needs but also outperform the expectations of the market. Our product brands are best suited for food and beverage applications (snacks, confectionery, dairy food, fresh cut vegetables, beverages etc.) and non-food applications (overwrapping, lamination, bag making etc.).

We have the capability to supply films in various sizes and thickness, ranging from 10 to 150 micron. We manufacture specialized films having unique barrier characteristics for special needs of the market designed to cater the ever-growing demand of our customers.



Our films are designed to capture, enhance and protect the products that they envelope. Be it transparent, metallized or opalescent; simple wrapping or ultra-barrier; low sealing temperature films or specialized films. These films not only extend and enhance shelf life, but they also protect against the often harsh supply chain conditions. We have also specialized in developing the following high-grade films:

Low Sealing Temperature Films

Tri-Pack's portfolio conglomerates low sealing temperature films with precise slip properties which can be laminated with other films and in single web laminations for high speed horizontal packaging machines. The main feature includes higher speed packaging, wider process ability on packaging machines especially in HFFS, superb ink adhesion-heat seal strength.

The main application is in snacks, biscuits, ice cream & chocolate wrappers. It also includes frozen food items as well as health, medicine, household items such as sanitary, detergent bags and gift wrappings.

Broad Seal High Barrier

Metallized BOPP film with broad range of heat sealing temperature. It is typically used in lamination with other substrates. This metallized film has good metal anchorage, brilliant dimensional stability, excellent oxygen and moisture barrier with additional vibrant shine.

Matt Film

Tri-Pack has extended range of products which also includes BOPP Matt film. Thanks to its excellent printability on the gloss side; sealable on the matt side; velvety appearance promoted by the matt side. Matt film creates visual impact with its "paper look" and soft touch effect. Matt films are highly appreciated especially in Monolayer or laminated flexible packaging constructions for cookies, biscuits, snacks, coffee, cereal bars, confectionery, ice-cream and general decorative applications.

Labellene

An improved pearl white film which is co-extruded pearl white BOPP film used as a mono layer and with different substrates in bottle label application in beverage industry and in food packaging labels. It is specially designed for speed conversion on HFFS and VFFS machines. Outstanding opacity and great ink conversion widely used in chocolate bar wrappers, ice cream and gift wraps.

High Gloss Label

The right material makes a big difference in the success of your labels. Successful conversion of Bruckner Line to five layer has allowed us to innovate and develop new films. Our new high gloss Pearl Label BOPP films are best suited for products which need high level of performance and serve variety of markets like beverages, food, bath, beauty, industrial. It offers high gloss, improved tensile strength that facilitates high-speed printing, greater stiffness, excellent printability, moisture and abrasion resistance.

Ultra High Barrier Metallized Film

Metallized BOPP film is a versatile ultra-high oxygen and moisture barrier film. Even with low microns it ensures excellent gas, moisture, aroma and mineral oil barrier for food and non-food applications that can be used in two or three lamination layers and as a foil replacement.

Perforation Films

Tri-Pack now offers specially produced perforated BOPP films to help extend shelf life, improve point of sale displays and maintain the quality and freshness of fruits and vegetables.

In Mould Labels

In Mould Label (IML) Films are getting increasingly popular due to good aesthetics, durability of the label and the elimination of an additional step of labelling the container. Our current portfolio consists of opaque films with excellent orange peel effect.

Paper Bond Film

Tri-Pack also offers specially produced CPP film that bonds with paper for syringe packaging to improve point of sale display.

Anti-Fog Films

Anti-fog films are generally transparent films which go in for fresh fruits/vegetables, salad packaging, meat packaging applications. The high moisture content in these food items lead to mist formation on the film surface thus affecting the visibility and therefore perceived freshness of the food packed inside. An anti-fogging film not only prevents this phenomenon leading to a better visibility of the contents inside but also renders the pack a better shelf appeal owing to its enhanced gloss/optics.



Tobacco Non-Coated Transparent Wrap

The new trend in packaging is to replace the carton with clear film for the transparent collation of cigarette packs. While Tripack Films already offers a suitable film for this purpose, the challenge was to develop a non-coated film that shrinks onto the collated packs providing a tight wrap. We are one of the few approved suppliers in the world who are offering such grades which are non-coated. The films are static free and offer a super wide heat-seal range for outstanding machine performance.





Company Information

Board of Directors

Syed Babar Ali (Chairman)
Syed Hyder Ali*
Mr. Khurram Raza Bakhtayari
Ms. Nermeen Towfiq Chinoy
Mr. Atsushi Fujii
Mr. Yukio Hayasawa
Syed Aslam Mehdi
Mr. Asif Qadir

Chief Executive Officer

Mr. Nasir Jamal

Audit Committee

Mr. Asif Qadir (Chairman)
Mr. Khurram Raza Bakhtayari
Ms. Nermeen Towfiq Chinoy
Mr. Atsushi Fujii
Mr. Yukio Hayasawa

Executive Committee

Mr. Atsushi Fujii (Chairman)
Syed Hyder Ali*
Mr. Khurram Raza Bakhtayari
Syed Aslam Mehdi

Human Resource and Remuneration Committee

Mr. Asif Qadir (Chairman)
Mr. Khurram Raza Bakhtayari
Mr. Atsushi Fujii
Syed Aslam Mehdi

Acting Chief Financial Officer

Mr. Muhammad Zuhair Damani

Company Secretary

Mr. Adi J. Cawasji

Auditors and Tax Advisor

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

Sattar & Sattar

Shares Registrar

FAMCO Associates (Pvt.) Ltd 8-F,
Next to Hotel Faran, Nursery, Block 6,
P.E.C.H.S., Shahrah-e-Faisal,
Karachi - 75400
Tel : (021) 34380101-2
Fax : (021) 34380106

Website

www.tripack.com.pk

Registered Office

4th Floor, The Forum,
Suite No. 416-422, G-20,
Block No. 9, Clifton,
Khayaban-e-Jami,
Karachi - 75600, Pakistan.
Tel: (021) 35874047-49
(021) 35831618
Fax: (021) 35860251

Regional Sales & Head Office

House No. 18, Sir Abdullah
Haroon Road, Near Marriott Hotel,
Karachi,
Sindh
Tel: (021) 35224336-37
Fax: (021) 35224338

Works

Plot No. G-1 to G-4, D-9 to D-14,
North Western Industrial Zone,
Port Qasim Authority, Karachi,
Sindh
Tel : (021) 34720247-48
Fax : (021) 34720245

Works & Regional Sales Office

Plot No. 78/1, Phase IV,
Hattar Industrial Estate, Hattar,
Khyber Pakhtunkhwa
Tel: (0995) 617406-7
Fax: (0995) 617054

Regional Sales Office

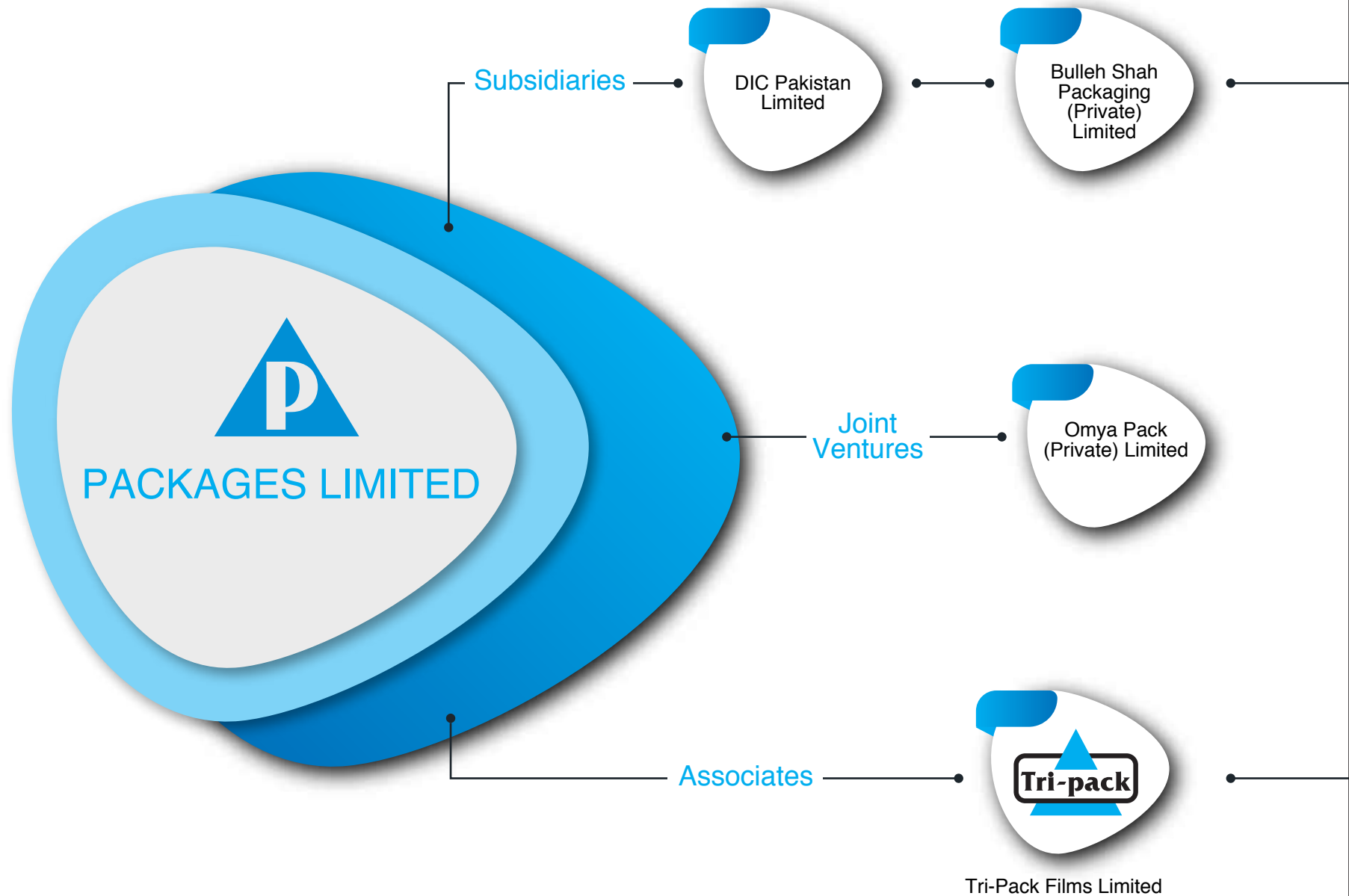
Unit No. 4, 17 Aziz Avenue,
Canal Bank, Lahore,
Punjab
Tel: (042) 35716068-70
Fax: (042) 35716071

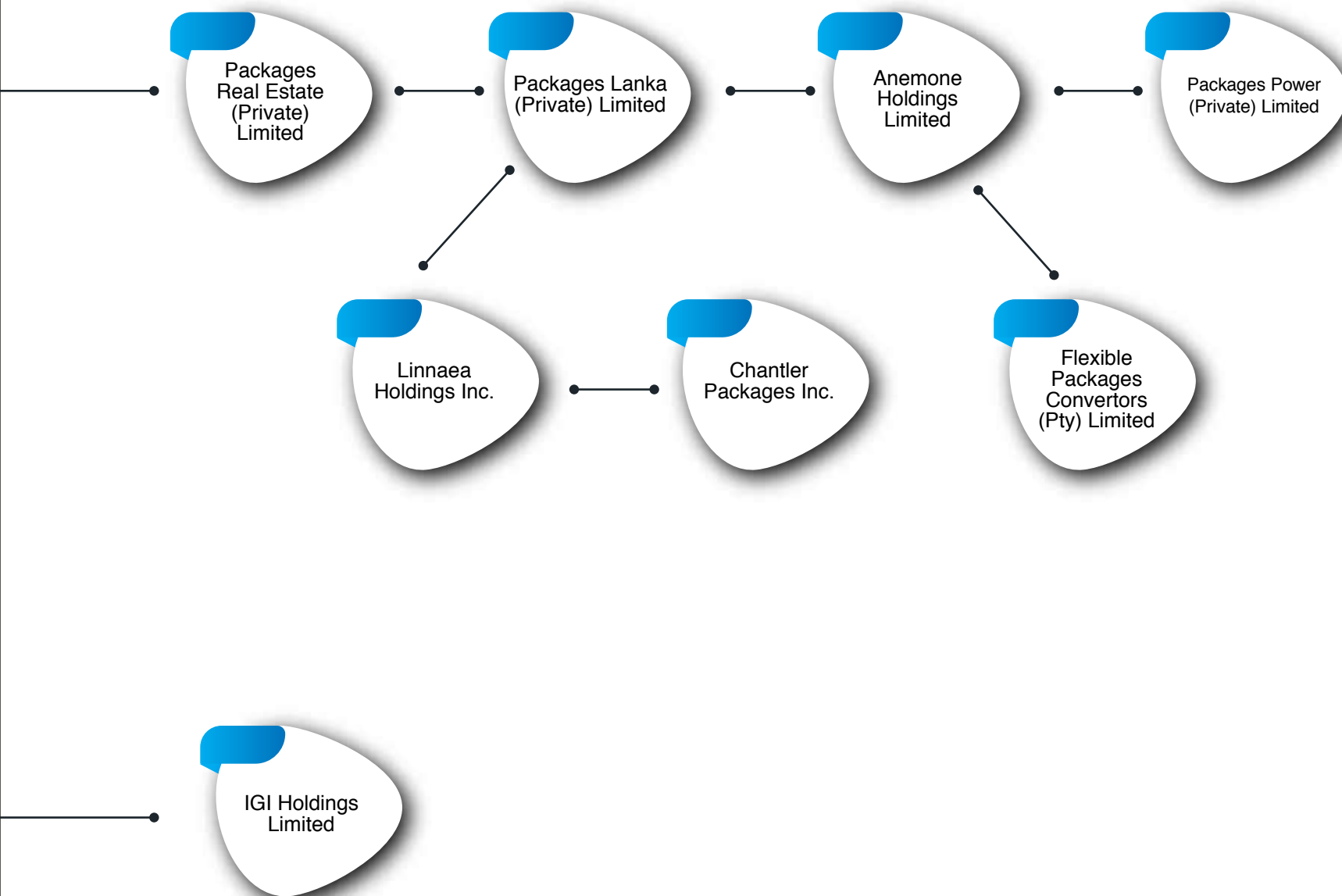
Bankers

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

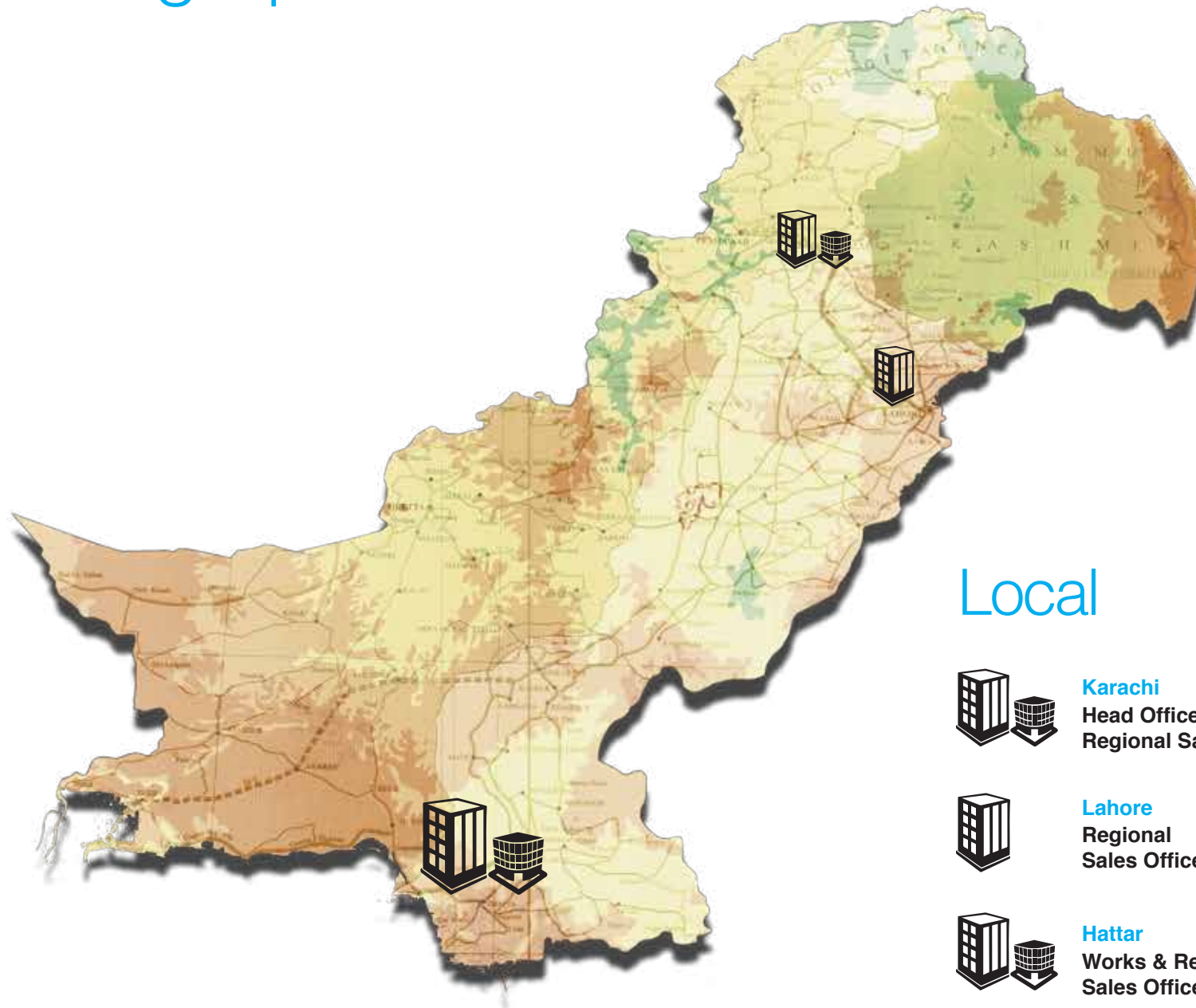
* In alphabetical order by last name

Group Structure





Geographical Presence



Local



Karachi

Head Office, Works & Regional Sales Office



Lahore

Regional Sales Office



Hattar

Works & Regional Sales Office

International

Asia



Bangladesh



Bahrain



Oman



Sri Lanka



UAE

Europe



Greece



Italy



Macedonia

North America



Canada

Africa

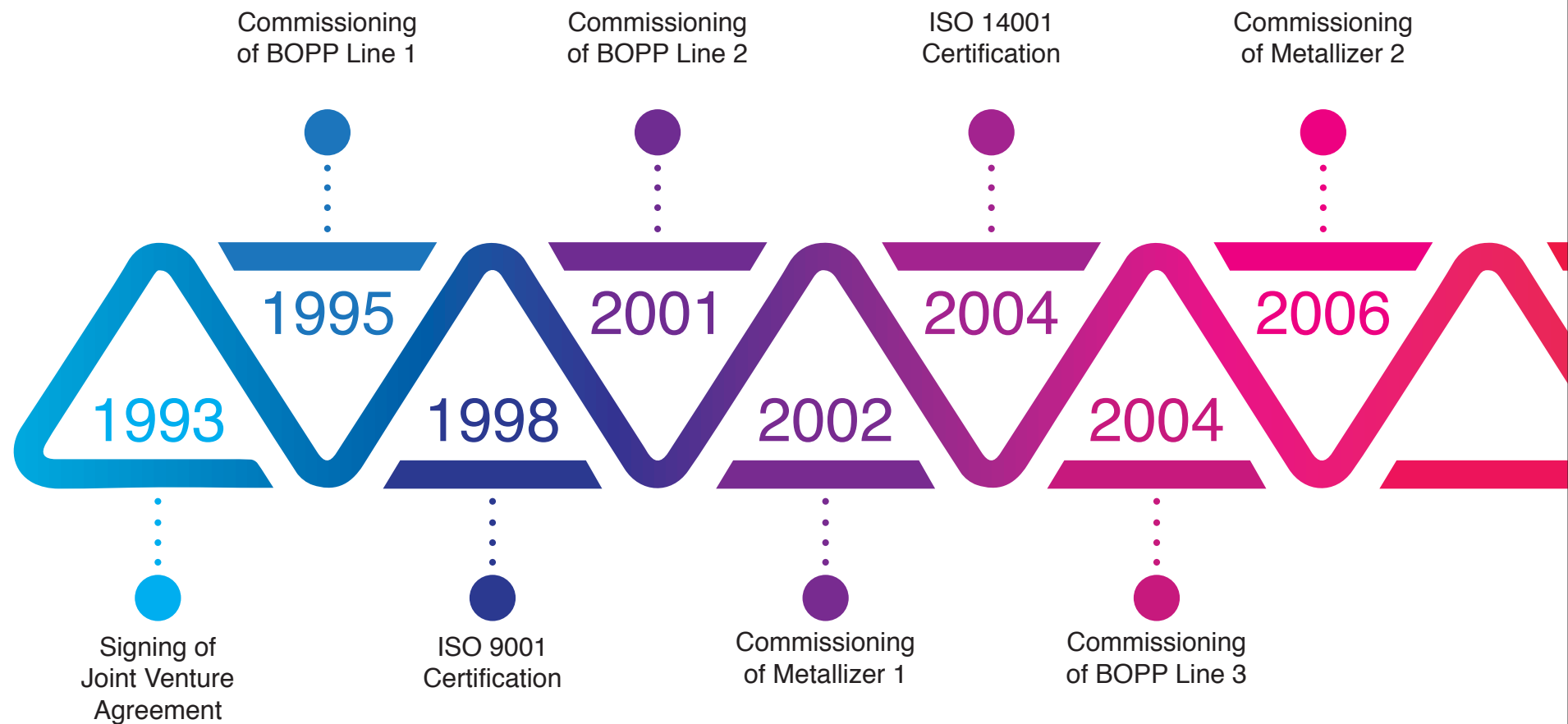


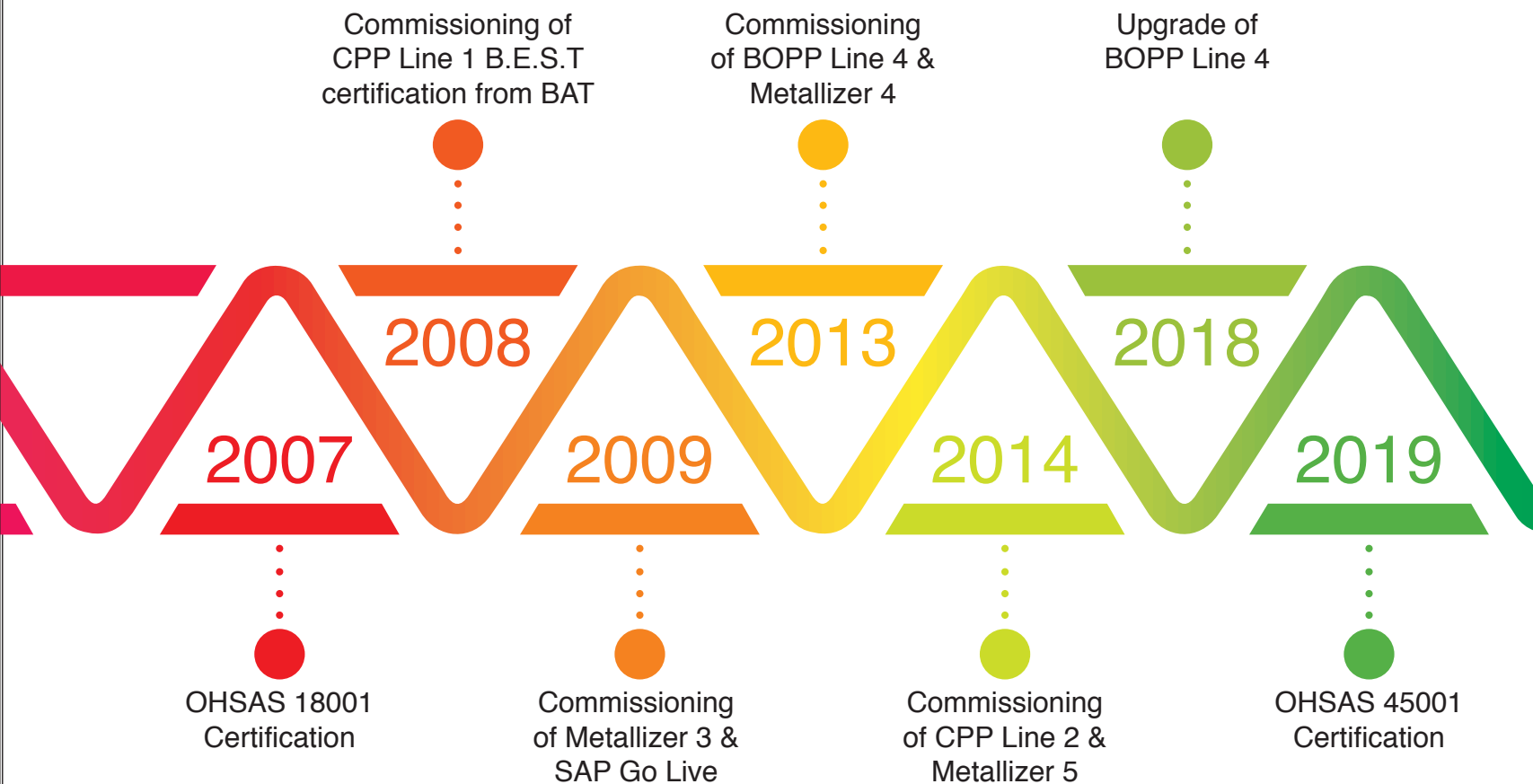
Mauritius

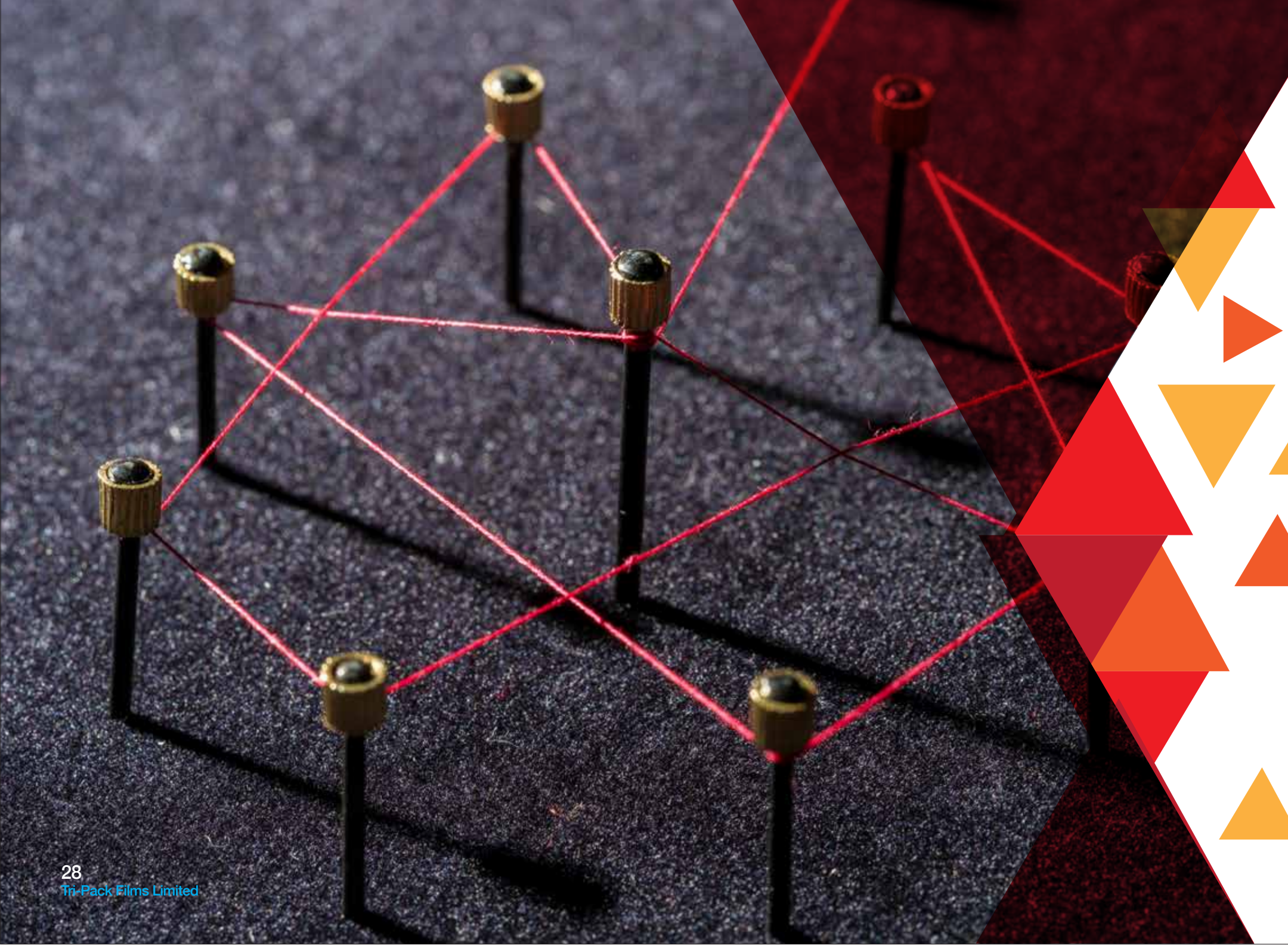


South Africa

History of Major Events







Stakeholders' Engagement

Our stakeholders extend valuable contributions towards growth and existence. Our strategy aims to identify emerging trends, possible threats and best available value propositions for all our stakeholders including our shareholders, employees, customers, suppliers, society and regulators. We want our stakeholders to be advocates of Tri-Pack, which is why we have always encouraged an open culture that focuses on trust, integrity, respect, mutuality, commitment and satisfaction.

Shareholders

We believe that regular communications with shareholders is an important part of creating an open and constructive dialogue. We respond to our shareholders' expectations through improvements in business operations, effective governance and corporate reporting framework. The Company encourages shareholders' participation at Annual General Meetings and endeavours to provide sound disclosures through its Quarterly and Annual Reports. For inclusion of financial and non-financial information we maintain a website (www.tripack.com.pk) which is updated on frequent basis to ensure all developments are communicated to our stakeholders on timely basis.



Corporate Briefing session

This year the Company conducted a corporate briefing session at ICAP to Brief shareholders and investor about the performance of the Company and market dynamic followed by a Q/A session.

AGM Proceedings

The last AGM of Tri-Pack Films Limited was held at the Beach Luxury Hotel, Karachi on 16th April 2019 at 10:30 am. The meeting was well attended by the Shareholders.



Shareholders raised different queries on the Financial Statements and future prospects, which were answered by the Chief Executive Officer to the satisfaction of those present after which the Financial Statements were approved by the Shareholders.

Shareholder Communication and Investor Relation Policy

Purpose

The Board of Tri-Pack Films Limited recognizes that it needs to engage with its shareholders and provide them with appropriate information and facilities to allow them to exercise their rights as shareholders effectively. This includes:

- giving shareholders ready access to information about the Company and its governance;

- communicating openly and honestly with shareholders; and
- encouraging and facilitating their participation in meetings of shareholders.

The purpose of this policy is to outline how the Company will provide shareholders and other investors with information about itself and its governance, and to outline the Company's investor relations program.

Company Website

The Company has a website which can be found at www.tripack.com.pk. The Company's website is designed to provide shareholders and other investors with helpful information about the Company.

General Meetings

The Company recognizes that general meetings are an important forum for two-way communication between the Company and its shareholders. The meetings provide the Company with an opportunity to impart to shareholders a greater understanding of its business, governance, financial performance and prospects, as well as to discuss areas of concern or interest to the Board and management. The meetings also provide shareholders with an opportunity to express their views to the Company's Board and management about any areas of concern or interest for them.

The Company endeavours to actively engage with shareholders at its general meetings, and encourages attendance and participation at its meetings.

Shareholder Meetings and Enquiries

The Company endeavours to meet with shareholders upon request and respond to any enquiries they may make from time to time.

Disclosure of Material and / or Price Sensitive Information

The Company discloses material information as appropriate in a transparent and timely manner, in compliance with the requirements of all the applicable laws and regulations.

Information which is not regarded as material under the applicable laws may be disseminated to the shareholders by way of press releases on Pakistan Stock Exchange website.

Employees

We believe that the way to grow as a business is to grow our people, enabling personal development and ambitious business results. We take pride in our engagement initiatives including development through a detailed Training Needs Analysis, Annual Get-togethers, Conferences and other engagement activities. For our strategy to work we need our employees to believe in us and therefore we assess ourselves through employee engagement survey which measures their overall satisfaction levels of being part of the Company. This helps us in comparing ourselves with other large companies and in identifying ways to improve how we do things.

Number of Employees

The total number of employees at the end of 2019 was 313 (average number employees during the year was 319) and total number of factory employees at the end of 2019 was 265 (average number of factory employees during the year was 269).

Employment of Special Persons

Tri-Pack Films Limited is a staunch believer of creating an inclusive work environment. We strongly encourage people with diverse background to apply and compete purely on merit for open positions. People who are differently abled are an important component of our community forming a diverse pool of talent and we are determined to support & draw from this valuable resource. We strive to attract qualified differently abled people while ensuring compliance with relevant laws.



Customers

Constant engagement with customers is the essence of our customer service, which has always helped us in keeping ourselves ahead of the market. Tri-Pack has invested significantly over the years in customer relationship management going beyond extending credit facilities and trade discounts. It is for this reason that we have a team of dedicated individuals working in close coordination with customers, visiting them on a regular basis to ensure provision of impeccable goods and services that are aimed at improving their productivity and profitability.



Suppliers

Our continuous and sustainable growth is also attributable in engaging reputed and dependable suppliers as business partners. Tri-Pack has partnered with vendors from around the world to ensure consistent quality of our products. Therefore the relationships with our suppliers are an increasingly important factor in allowing us both to maintain high standards of product supply and to respond to anticipated future customer needs. We have a dedicated department which is constantly engaged with suppliers to maintain a healthy business relationship.

Community

At Tri-Pack we genuinely care about giving back to our community. We actively participate in various social initiatives as part of our corporate social responsibility. Being a conscientious member of the corporate community, the Company contributes to various social and charitable causes including health, education and social sectors.

Banks

Our business relationship with our banks has been phenomenal. This is evident by the belief shown by banks in our commitments by providing significant finances to fund our projects. We maintain this relationship by actively engaging with our banks through frequent briefing sessions on Company's performance and site visits to keep them on board with our strategies and latest developments.

Regulators

As a responsible citizen Tri-Pack has always been committed to comply with all the laws and regulations including submission of regulatory reports and responding to specific enquiries on a timely basis. We have specific policies to ensure compliance of various laws and regulations.

Shareholders' Information

Registered Office

4th Floor, The Forum, Suite # 416-422, G-20, Block 9,
Khayaban-e-Jami, Clifton, Karachi-75600,
Tel. # 92 21 35831618 / 35831664 / 35833011, 35874047 - 49
Fax # 92 21 35860251

Shares Registrar

FAMCO Associates (Pvt.) Ltd 8-F, Next to Hotel Faran Nursery,
Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400
Tel. # 92 21 34380101-2 Fax # 92 21 34380106

Listing on Stock Exchange

Tri-Pack's equity shares are listed on the Pakistan Stock Exchange.

Listing Fees

The annual listing fee for the financial year 2018-19 has been paid to the stock exchange within the prescribed time limit.

Stock Code

The stock code for dealing in equity shares of Tri-Pack Films at the Stock Exchange is TRIPF.

Shares Registrar

Tri-Pack's shares department is operated by FAMCO Associates (Pvt.) Ltd and services about 1,988 shareholders. It is managed by a well-experienced team of professionals and is equipped with the necessary infrastructure in terms of computer facilities and comprehensive set of systems and procedures for conducting the Registration function.

The Shares Registrar has online connectivity with Central Depository Company of Pakistan Limited. It undertakes activities pertaining to dematerialization of shares, share transfers, transmissions, issue of duplicate/re-validated dividend warrants, issue of duplicate/ replaced share certificates, change of address and other related matters.

Contact Persons

Mr. Sifat Ahmed Khan

Tel. # 92 21 35831618 / 35831664 / 35833011 Fax # 92 21 35860251
Email: sifat.ahmad@packages.com.pk

Mr. Ovais Khan

Tel. # 92 21 34380101-2 Fax # 92 21 34380106
Email: ceo@famco.com.pk

Service Standards

Tri-Pack has always endeavored to provide investors with prompt services. Listed below are various investor services and the maximum time limits set for their execution:

	For requests received through post	Over the counter
Transfer of shares	15 days after receipt	15 days after receipt
Transmission of shares	15 days after receipt	15 days after receipt
Issue of duplicate share certificates	30 days after receipt	30 days after receipt
Issue of duplicate dividend warrants	5 days after receipt	5 days after receipt
Issue of revalidated dividend warrants	5 days after receipt	5 days after receipt
Change of address	2 days after receipt	2 days after receipt

Well qualified personnel of the Shares Registrar have been entrusted with the responsibility of ensuring that services are rendered within the set time limits.

Statutory Compliance

During the year, the Company has complied with all applicable provisions, filed all returns/ forms and furnished all the relevant particulars as required under the Companies Act, 2017 and allied rules, Notifications/Circulars issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time and the Listing requirements.

Dematerialization of Shares

The equity shares of the Company are under the compulsory dematerialization category. As of date 42.54% of the equity shares of the Company have been dematerialized by the shareholders.

Dividend

The board of directors of the Company has proposed a NIL cash dividend for the financial year ended December 31, 2019 (2018: 40% cash dividend: Rs.4.00 per share of Rs.10).

Book Closure Dates

The Register of Members and Share Transfer Books of the Company will remain closed from April 07, 2020 to April 14, 2020 both days inclusive.

Dividend Remittance

Dividend declared and approved at an Annual General Meeting is paid in terms of Section 242 of the Companies Act, 2017/Companies (Distribution of Dividends) Regulations, 2017:

- (i) For shares held in physical form: to shareholders whose names appear in the Register of Members of the Company after entertaining all requests for transfer of shares lodged with the Company on or before the book closure date.
- (ii) For shares held in electronic form: to shareholders whose names appear in the statement of beneficial ownership furnished by CDC as at end of business on book closure date.

Withholding of Tax & Zakat on Dividend

As per the provisions of Section 150 of the Income Tax Ordinance, 2001,

Income Tax is deductible at source on dividend payable by the Company at the rate of 15.0% for filers of income tax returns, wherever applicable, and at the rate of 30.0% for non-filers of income tax returns.

Zakat is also deductible at source from the dividend at the rate of 2.5% of the face value of the share, other than corporate holders or individuals who have provided an undertaking for non-deduction.

Investors' Grievances

To date none of the investors or shareholders have filed any letter of complaints against any service provided by the Company to its shareholders.

Legal Proceedings

No case has ever been filed by shareholders against the Company for non-receipt of shares/refund.

General Meetings & Voting Rights

Pursuant to Section 132 of the Companies Act, 2017, Tri-Pack Films Limited holds a General Meeting of shareholders at least once a year. Every shareholder has a right to attend the General Meeting. The notice of such meeting is sent to all the shareholders at least 21 days before the meeting and also advertised in at least one English and one Urdu newspaper having circulation in Karachi, Lahore and Islamabad.

Shareholders having holding of at least 10% of voting rights may also apply to the board of directors to call for meeting of shareholders, and if board does not take action on such application within 21 days, the shareholders may themselves call the meeting.

All shares issued by the Company carry equal voting rights. Generally, matters at the general meetings are decided by a show of hands in the first instance. Voting by show of hands operates on the principle of "One Member-One Vote". If majority of shareholders raise their hands in favor of a particular resolution, it is taken as passed, unless a poll is demanded.

Since the fundamental voting principle in a company is "One Share-One Vote", voting takes place by a poll, if demanded. On a poll being taken, the decision arrived by poll is final, overruling any decision taken on a show of hands.

Proxies

Pursuant to Section 137 of the Companies Act, 2017 and according to the Memorandum and Articles of Association of the Company, every shareholder of the Company who is entitled to attend and vote at a general meeting of the Company can appoint another person as his/her proxy to attend and vote instead of him/her. Every notice calling a general meeting of the Company contains a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy, who may not be a member of the Company.

The instrument appointing a proxy (duly signed by the shareholder appointing that proxy) should be deposited at the office of the Company not less than forty-eight hours before the meeting.

Web Presence

Updated information regarding the Company can be accessed at Tri-Pack's website, www.tripack.com.pk. The website contains the Company's profile, the corporate philosophy and major products.

Shareholding Pattern

The shareholding pattern of the equity share capital of the Company as at December 31, 2019 is as follows:

Shareholding		Number of Shareholders	Total Shares Held
From	To		
1	100	465	18,012
101	500	670	284,199
501	1,000	224	187,233
1,001	5,000	386	965,794
5,001	10,000	84	630,030
10,001	15,000	47	587,346
15,001	20,000	22	388,073
20,001	25,000	15	354,633
25,001	30,000	12	334,619
30,001	35,000	5	162,147
35,001	40,000	5	187,699
40,001	45,000	1	43,586
45,001	50,000	12	583,253
50,001	55,000	2	103,132
60,001	65,000	4	247,693
65,001	70,000	2	131,525

Shareholding		Number of Shareholders	Total Shares Held
From	To		
70,001	75,000	3	218,131
75,001	80,000	1	76,711
80,001	85,000	1	84,800
85,001	90,000	1	89,400
90,001	95,000	1	92,400
110,001	115,000	1	111,000
115,001	120,000	2	233,892
140,001	145,000	2	283,466
155,001	160,000	1	160,000
175,001	180,000	1	177,186
180,001	185,000	1	184,497
215,001	220,000	1	216,736
295,001	300,000	1	300,000
320,001	325,000	1	320,924
380,001	385,000	1	381,228
395,001	400,000	1	400,000
400,001	405,000	1	403,879
475,001	480,000	1	478,375
485,001	490,000	1	488,800
535,001	540,000	1	536,975
595,001	600,000	1	599,516
675,001	680,000	1	678,000
680,001	685,000	1	682,260
830,001	835,000	1	833,700
1,375,001	1,380,000	1	1,376,400
3,750,001	3,755,000	1	3,750,417
7,495,001	7,500,000	1	7,499,000
12,930,001	12,935,000	1	12,933,333
		1,988	38,800,000

Information as required under the Code of Corporate Governance

Shareholders' Category		Number of Shareholders	Total Shares Held
i. Associated Companies, Undertakings and Related Parties (name wise details)			
Babar Ali Foundation	2	253,897	
IGI Investments (Pvt.) Limited	1	3,750,417	
Mitsubishi Corporation - Japan	1	7,499,000	
Packages Limited	1	12,933,333	
Total:	5	24,436,647	
ii. Mutual Funds (name wise details)			
CDC - Trustee AKD Opportunity Fund	1	50,000	
CDC - Trustee National Investment (Unit) Trust	1	599,516	
CDC - Trustee NBP Stock Fund	1	1,004	
CDC - Trustee UBL Retirement Savings Fund - Equity Sub Fund	1	47,500	
CDC - Trustee Al-ameen Islamic Ret. Sav. Fund-equity Sub Fund	1	38,000	
Total :	5	736,020	
iii. Directors and their Spouse(s) and Minor Children (name wise details)			
Mr. Asif Qadir	1	100	
Mr. Atsushi Fujii	1	500	
Mr. Yukio Hayasawa	1	500	
Ms. Nermeen Towfiq Chinoy	1	1,000	
Syed Aslam Mehdi	1	1,293	
Syed Babar Ali	1	536,975	
Syed Hyder Ali	2	337,324	
Total:	8	877,692	
iv. Executives		NIL	NIL
Total:		NIL	NIL
v. Public Sector Companies and Corporations		1	682,260
Total:		1	682,260
vi. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Takaful, Modaraba and Pension Funds		4	72,403
Total:		4	72,403
vii. Shareholders holding 5% or more voting rights in the Listed Company			
IGI Investments (Pvt.) Limited	1	3,750,417	
Mitsubishi Corporation - Japan	1	7,499,000	
Packages Limited	1	12,933,333	
Total:	3	24,182,750	

Information as required under the Code of Corporate Governance

S.No.	Shareholders' Category	Number of Shareholders	Total Shares Held	%
1	Directors, Chief Executive Officer, and their spouses and minor children	8	877,692	2.26
2	Associated Companies, undertakings and related parties	5	24,436,647	62.98
3	Banks Development Financial Institutions, Non Banking Financial Institutions	2	63	0.00
4	Insurance Companies	1	682,260	1.76
5	Modarabas and Mutual Funds	5	736,020	1.90
6	Shareholders holding 10%	2	20,432,333	52.66
7	General Public:			
	a. Local	1,918	7,574,506	19.52
	b. Foreign	3	999,600	2.58
8	Others	46	3,493,212	9.00
Total (excluding: shareholders holding 10%)		1,988	38,800,000	100.00

Share Price / Volume

The monthly high and low prices and the volume of shares traded on the Pakistan Stock Exchange during the financial year 2019 are as under:

Month	Share price on the PSX (Rs.)		
	Highest	Lowest	Volume of shares traded
January	118.00	107.43	91,400
February	120.05	103.50	249,100
March	108.06	104.01	158,300
April	102.00	75.50	252,900
May	79.00	68.00	174,800
June	72.99	63.65	67,800
July	69.00	57.00	81,500
August	66.10	52.50	339,500
September	54.95	47.50	294,500
October	72.58	49.02	867,000
November	81.07	60.50	1,074,000
December	95.00	77.26	672,500

Safety, Health & Environment (SHE)

Tri-Pack Films Limited's policy is to

- ensure customer satisfaction by its best quality product made by using state of the art machines and by continuous acquisition of knowledge and skills.
- establish, implement and review objectives & targets to ensure continuous improvement in our SHE System and inculcate Behavior Based concept to encourage employees in contributing towards every aspect of Safety, Health and Environmental protection.



Safety Drill

- comply with all regulatory requirements on Safety, Health and Environment. Protect employees and community from health & safety hazards and to prevent environmental pollution.
- promote and adopt eco-friendly sustainable initiatives to minimize adverse impacts on the environment from its activities.
- use raw materials efficiently, manage waste effectively and economically to conserve resources.
- communicate to all stakeholders about our occupational safety, health and environment and quality policy & performance.
- ensure that any new plant, equipment and processes installed will minimize hazards impacting the environment.
- ensure sustainable use of energy and water resources via RO plant.

Safety, Health and Environment (SHE) Strategy & Developments

SHE department is established as a core value and key pillar of business operations. SGS Pakistan has re-validated effectiveness of Integrated Management System. The consistent drive toward excellence is reflected through migration from ISO 18001 to ISO 45001 ahead of plan. The year has closed without any serious incident and significant enhancement been driven during the year. At Tri-Pack, we believe in a pro-active culture, by inculcating leadership for SHE at all levels. Our focus has been to engage and train people and take their consultation through participation in objective setting. Our Policy is reflected in our business decisions and impacts our system, surrounding, habitat and the communities we live in. We ensured allocation of adequate resources and strategies, necessary for efficacious implementation of SHE. We directed all our activities in-compliance with the Company standards and applicable legal requirements. Regular audits were orchestrated to ensure compliance. Performance monitoring against goals and objectives has served as a guidance path towards our continual improvement. Continuous monitoring of all emerging issues due to regulatory changes, technological advancements and stakeholder interests have been the guiding light to enhance our performance in every aspect. Collaboration with our Sponsors, Contractors, Suppliers and Customers has been the key to success. We are periodically reviewing the Company's performance in implementing SHE management system. Behavior Based Safety campaign was also organized to strengthen culture, engagement and capability of teams at all levels.

SHE Management System comprises of following integrated components:

- Leadership Culture
- Business Integration
- Resource Allocation
- Regulatory Compliance
- Performance Measurement & Continual Improvement
- Stakeholder Collaboration
- Audits & Review

Research & Development and Quality Control

Research and Development

Tri-Pack Film's research and development department works on only one rule and principal - Innovation. With this basic goal in sight, every individual is headed forward with the urge to look for the continuous room for improvement in our ways, formulations and strategies. We not only focus on providing quality products to our customers but also think one step ahead to bestow their products a longer shelf-life, appealing appearance and all that it requisites through our explicitly designed, cost-effective new products.

To foster such ideas and develop them into films, we have a dedicated team of highly competent professionals. This focused crew executes all preliminary research followed by the trials over production lines until the new product is commercialized.

The fortunate upgradation of Tri-Pack's latest manufacturing BOPP line along with the substantial investment in research and development has led to successful transformation of films from 3-layers to 5-layers with further improved performance and features.



Quality Control

In our vision, maintaining and improving product safety and reliability under a strict quality control system is the primary purpose of the quality control department. Tri-Pack packaging and label film products are used in a wide variety of applications ranging from food-grade packaging, beverages labels and textiles. Hence, we go beyond basic compliance with customer quality standards.

We have experienced quality team that consists of engineers and chemists with ample knowledge of film manufacturing industry and it practices quality control in an efficient and effective manner, from development to production end use.

Our up-to-date highly precise testing equipment from renowned suppliers assists in film testing. We have skilled and well-trained staff to operate equipment in the best possible manner.

This year, our quality team has gained even further control through transparency. The tracking and tracing of our product-related minute details have been made accessible by just a single execution via SAP software. Using the production ID of every film roll produced, our software is capable of generating a one page report summarizing all the associated lab test results.

In line with the commitment of adherence to international quality and safety standards; the Company successfully managed to obtain following certifications:

- Quality Management System
- Environment Management System
- Occupational Health and Safety Assessment Series
- Food Safety Management System
- Hazard Analysis and Critical Control Point
- Publicly Available Specification





Sustainability & Corporate Social Responsibility (CSR)

Tri-Pack is and always will be a responsible corporate citizen committed to Sustainable and Responsible development of its operations and the environment it operates in.

Our principles are based strictly on reducing our impact on the planet while also respecting our social values. We genuinely care about doing our part to uplift our community and actively work to align our business decision-making with the reasonable societal expectations of a modern manufacturing company.

Commitment towards Sustainability & Corporate Social Responsibility

The only constant in life is change and constant improvements to the changing environment is what Tri-pack believes in. Our responsibility is not only restricted to within the Company but extends far beyond. As a Company we function to balance our own needs without jeopardizing future generation's ability to do the same. Tri-Pack has long been involved in exercising its citizenship in society, including sustainability, corporate philanthropy, corporate governance and Corporate Social Responsibility. These approaches, although significant, have difficulties in reaching a global scale and impact. We are actively seeking to infuse sustainability into our operations and processes. While we are making progress, we do not assume that we are winning; continuous improvement is a fundamental goal of our sustainability efforts.

Tri-pack sets and strives to achieve long-term strategic objectives in pursuit of the organization's commitment. Thus we have adopted the sustainable development goals (SDG's) set by the UN in 2018.

We genuinely care about doing our part to uplift our community and actively work to align our business decision-making with the reasonable societal expectations of a modern manufacturing Company.

Sustainability

Sustainability is an integral part of our business and operations. Tri-Pack is committed to reduce its impact on the environment and deliver more sustainable products to its customers; from producing energy efficient products and deploying cutting-edge safety systems to being the employer of choice for employees, we make decisions based on how the outcome ultimately creates value for our customers and stakeholders, consistent with the long-term preservation and enhancement of environmental, social and financial capital. We ensure that our sustainable systems demonstrate proven measurable benefits in the following areas as compared to the relevant benchmarks/best practices:

- Energy
- Waste management
- Efficiencies
- Water Treatment

UN's Sustainable Development Goal (SDG's)

To operate more sustainably and responsibly in our business and yield greater social impact, we have aligned our environmental and social obligations with the Packages Group's commitment towards the United Nations Sustainable Development Goals (SDGs).

Improving the wellbeing of our community shall remain at the heart of all our social commitments.

We have been and always will be long-standing advocates of institutions and programs which develop and uplift social wellbeing. We have developed a strong partnership with institutions such as Indus Hospital, Pakistan Foundation Fighting Blindness, NOWPDP and the academia in Pakistan and we will continue to do so and broaden our engagements with the Community.

Furthermore, our business targets support our social commitments and too aim to advance diverse representation across the organization.

2020 and beyond, our goal is to focus on the following 04 areas in particular: SDG 03: Good Health and Well-Being; SDG 05: Gender Equality; SDG 10: Reduced Inequalities; SDG 13: Climate Action.



Energy Saving Measures

We strive to achieve operational excellence not only to save costs but to make a circular economy, to also emphasize on optimization of energy resources available to us in particular and to Community at large. We endeavour to conserve natural resources & energy by continuously improving our process and measuring performance. Since our inception we have moved from a diesel based power generation system to a more efficient gas based system. We remain cautious and play our role by reducing our energy consumption through better maintenance of our equipment to enhance fuel efficiency, frequent audits of our machinery and critically reviewing frequency of maintenance intervals.



Environmental Protection Measures

At Tri-Pack, the business strategies take full account of the impact of our operating decisions to ensure clean and green environment.

Our engines, oil heaters and other utilities comply with the National Environment & Quality Standards (NEQS).

Efforts to Mitigate the Adverse Impact of Industrial Effluents

We at Tri-Pack constantly monitor the waste water parameters against the limits defined in NEQS. We realize our responsibility to ensure safe handling of the chemicals and waste water and are further striving to reduce the level of TDS (Total Dissolved Solid).

Code of Conduct and Legal Compliance

Tri-Pack's policy is to comply to all applicable regulations, laws and acts pertaining to its operations and to conduct its business in a responsible and ethical manner. We understand that conducting business with integrity and fairness is an essential duty of Management and to this end the Company strives to maintain ethical operations and apply corrective actions where required to maintain compliance.

We circumvent anti-compliance incidents such as forced, underage or compulsory labor and follow detailed compliance policies i.e. our Code of Conduct which restricts any such incident.

We strive to eliminate all forms of corruption, fraud, theft, discrimination and all other forms of unethical behavior on an ongoing basis by building the awareness of ethics of our people.

Business Ethics and Anti-Corruption Measures

Business ethics is our fundamental value and lies at the heart of everything that we do at Tri-Pack films Limited. The Board of Directors of the Company has univocally set down the acceptable business practices and code of conduct which is based on values and clarifies the ethics and compliance expectations for everyone who works at Tri-Pack Films Limited. In addition thereto, multiple channels are available to our Stakeholders to speak-up and identify practices and behaviors that are unacceptable to our fundamental and core values.

Contribution to National Exchequer

Tri-Pack's contribution to the national exchequer in the form of sales tax, custom duties and income taxes etc. is approximately Rs. 3,245 million in 2019.

Business Continuity Plan

Tri-Pack Films Limited recognizes its responsibility to operate and ascertain protection of business operations from any sort of disruption.

We have a comprehensive Business Continuity Plan in place. Formal trainings and drills are being conducted to impart and educate the people throughout the organization.

Safety Records of the Company

Tri-Pack always ensures that all records required for administrative, legal and operational use are retained and safeguarded for as long as possible. For this reason, the Company conducted an exercise through external vendor to scan all the information and safeguard it on virtual platform. This made the information readily available for use and reduce this risk of damage, destruction or loss of data.

Company's CSR Philosophy

Our CSR activities are managed effectively and consistently in line with our mission.

In recent years, it has been aimed solely to help people overcome disadvantages. We have, therefore, always sought partnerships with organizations that are invested in supporting health, well-being, social welfare and inclusion of differently abled people.

CSR for us in a nutshell is not just about giving back; it also about being socially active and promoting inclusion. As important as CSR is for the community, it is equally valuable for the Company.



● Women Empowerment

Forums / platforms dedicated for women's development and networking are very important as an empowerment tool. They provide women with several kinds of support: from sharing of experiences & strategies with industry experts and other like-minded individuals, to skill enhancement, awareness, sensitization and confidence building; all woven together to make a lasting impact.

Such is the purpose behind the Packages Group ACTs Forum of which Tri-Pack's female staff are a part of; Said forum congregates each quarter with an intended agenda covering topics such as Women's Health, Women in Management, Women's Day, Effective Communication, Entrepreneurship and Leadership.

● Financial Aid to Merit Student

Tri-Pack has often promoted / supported the education sector, directly or through a foundation. This year, we opted to provide financial aid to a merit grad-student at Habib University for her 07th semester abroad. Our goal is to support and give opportunity to deserving individuals who we believe to be the future leaders and professionals who will make a difference in ways relevant to them.

● Support In-Kind

Each year, Tri-Pack is committed to donating a certain amount of funds to organizations working towards making the community a better place. 2019's CSR donations have gone to:

- Pakistan Foundation Fighting Blindness (Others)
- CHIPPA (Others)
- Bait ul Sukoon Cancer Hospital (Health & Nutrition) so that more people can get the help they need and improved conditions for living a better life.





Functional and Operational Excellence

Overview of Key Objectives and Strategies

Our aspiration and passion is to focus on our today for a better and improved tomorrow and we base this in our operational objectives and strategies. To safeguard the sense of belonging we have towards our vision we attempt to inculcate it in our very actions and day to day dealings in all aspects of business.

Customer Service and Product Development

We intent to practice mutualism in everything we do. We constantly strive to provide optimal yet economical packaging solutions to our customers. We ensue this through closely partnering with our customers to best understand their needs and build the synergies needed to ensure practical value creation. Our efforts are immensely supported by our expertise in product development, which we tailor to the specific needs of the market and customer. Part and parcel to our customer service philosophy is to ensure operational prowess, we achieve by delivering material swiftly and in a timely manner.

Human Resource Development

We prioritize People Development!

Nurturing and growing our talent has always been at the top of our HR Objectives. Our ultimate goal is to develop our talent, deliver practices and embed a culture such that it mirrors and supports Tri-Pack's business strategies.

2019 saw a key point of transformation in our HR Function – focused on deepening stakeholder's engagement; delivering strategically on Talent's Learning & Development, Diversity & Inclusion at the workplace and harmonious Industrial Relations; accelerating digital transformation and fundamentally simplifying our operations in order to generate better returns on our investments (w.r.t. Human Resources). The prime focus of all these initiatives were targeted towards achieving HR excellence and empowering our talent.

In addition, we are building capabilities that are critical to deliver our business strategies and upskill our workforce by investing in our talent pipeline and engaging talent with new roles and development opportunities in the organization.

Operational Efficiency

We are aggressively working on maintaining and improving our operational efficiency through Total Productive Maintenance (TPM). Third party foreign consultants were involved to benchmark our operational resources to optimize operational costs and efficiencies. Further, several training sessions were conducted on TPM which has given us the opportunity to compare our machine operations with international standards. Tri-Pack has benchmarks in place to ensure machine efficiency and sanctity. Small investments were made during the year to improve operational efficiency.

Supply Management

At Tri-Pack, our constant engagement with both international and local suppliers has enabled us with an uninterrupted supply of high quality materials. We ensure that our relationship with our vendors add value to the entire chain.

For an efficient supply management, based on the order forecast provided by the sales department, orders are placed with vendors. In alignment with the operations, inventory levels are continuously monitored to establish right supply of material. Supply-chain team keeps keen eye on the entire process starting from the ordering process to delivering the material to our warehouse and then ensure time deliverable of products to customers. Our warehouse management system and vehicle tracking system enables us in delivering on time and in full.

Internal Controls and Compliance

Tri-Pack has established standard operating procedures for processes that act as a guiding principle for our activities. The Company has engaged a well reputed audit firm to carry out internal audits of our processes. Detailed audits are conducted to ensure improvement in work and any issue highlighted is dealt in a positive manner.

Risk Assessment

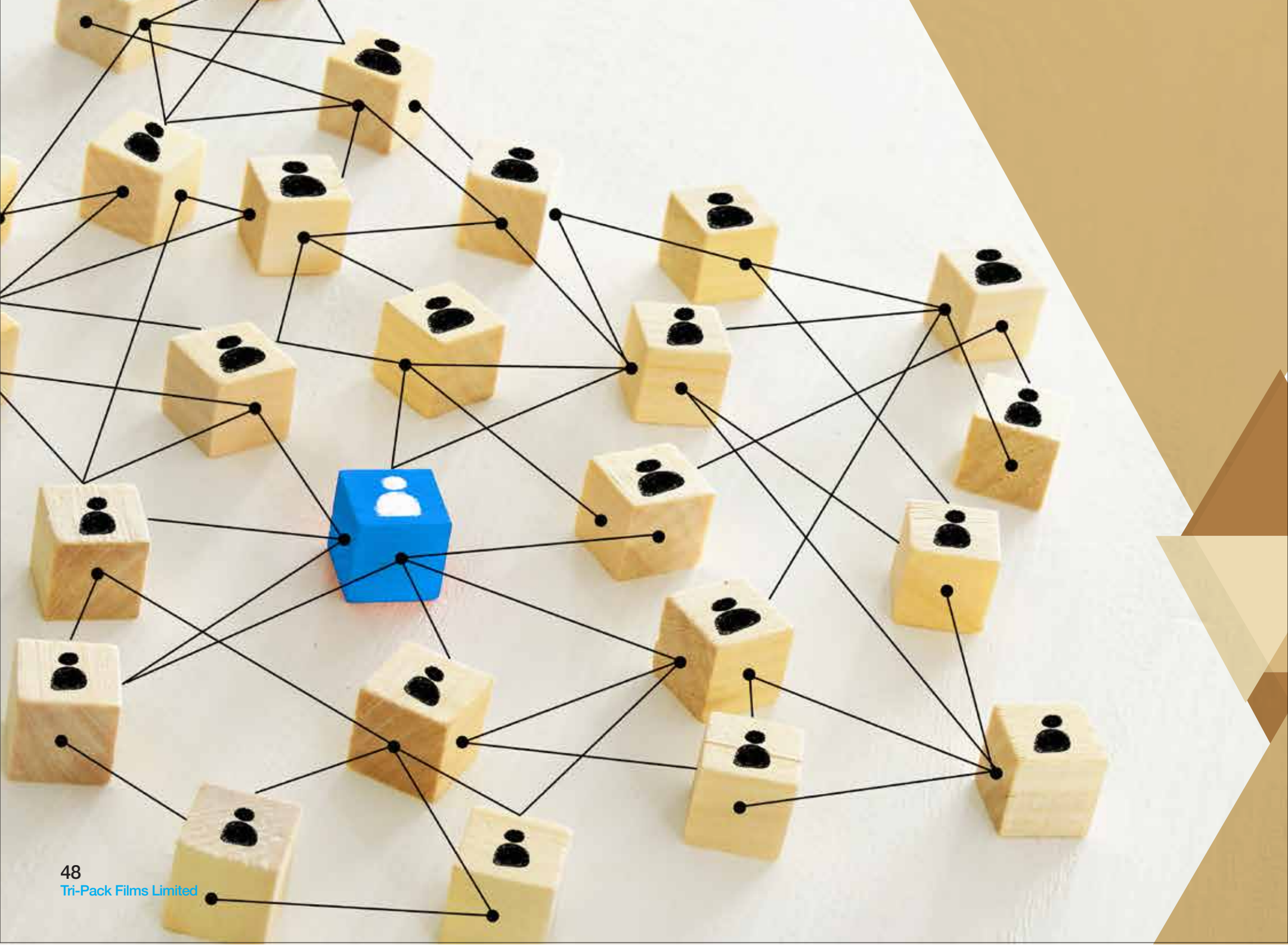
Risk assessment has always been a matter of utmost importance to the management. It is the responsibility of the management to identify the risk to its bottom line, assess its probability and impact and provide recommendations to mitigate all the possible risk faced by the Company.

Enterprise Risk Management (ERM)

An Enterprise Risk Management (ERM) exercise was undertaken whereby a bottom up approach for identifying potential risks by the department to business and operations. These risk were then bifurcated into strategic, operational and compliance and prioritized on the basis of their probability and impact. These risks along with their action plans, were incorporated in an ERM dashboard and were then approved by the Board of Directors.

Future Investment Plans

The Company has installed a shredding machine to reduce waste from production. Also specialized perforation machines were installed to produce perforated BOPP films to help extend shelf life of fruits and vegetables. Further, Rs 2.2 billion were approved by the board in 2018 and partial investment has been made for new and technologically advance machinery. An order for a state of the art metallizer has been placed with a vendor and it expected to arrive in 2020 and soon become operational thereafter.





Human Resource

Our people are fundamental to our Company's growth and long-term value creation. We seek to offer a workplace where people are nurtured to be the best that they can be. Such is the purpose behind our talent management & development strategy that is deeply rooted in our business priorities.

We believe that our ability to develop future-fit teams and leaders internally is an important competitive advantage. We therefore seek to build a strong bench of professionals across all levels to ensure continuity and long-term growth for our business. Our Management Review Process (MRP) is poised to deliver and is being aggressively utilized to identify potential and define a clear career path with designed interventions for top talent, enabling them to take on bigger roles & responsibilities in the organization.

Talent Development

As we seek new avenues of growth in the business, we understand that the only way to build organizational agility and capability to remain competitive, is by creating an environment where our people can learn autonomously and grow every day.

Our HR Strategy is no longer simply attracting, developing and retaining key talent but also about upskilling and developing competencies needed for the evolving business dynamics and to build the next generation of teams and leaders from both internal and external talent pools to ensure there is a robust succession pipeline in place for critical positions.

The key area of focus of HR is to personalize training and capability building to develop the right leaders and teams who are fit for the future.



We are responding to demands for new skills through continuous learning and contemporary learning opportunities that are designed to develop specialized skills tailored to fit the needs of the organization. These programs are consciously planned to develop staff's skills in areas of functional expertise, safety, personal / professional grooming, leadership and business acumen.

At the other end of the spectrum are our career development plans / programs that we leverage to engage & develop key talent through

experiential learning, critical experiences, rotations and special assignments.

We are also accelerating impact through new agile ways of working. In the past year, we have piloted more agile team structures to ensure we have the right people, doing the right job at the right time (RRR Agenda), while breaking down silos.

Diversity & Inclusion

At Tri-Pack 05% of the Permanent & Direct Contractual positions are held by women; and as a progressive employer, we enact measures that not only sustain but also enhance diversity & inclusion at the workplace.

Our commitment to the same is reflected by our well-timed compliance to the gender diversity goals for the composition of the Board of Directors as defined by SECP and by the active role played by our Senior Leadership team in their pursuit to enhance & sustain gender diversity in the organization as part of their key strategic objectives (KSOs) for the business.

Execution of the diversity agenda is monitored by the Senior Leadership team with the specific priority to create a more holistic approach to sustainably enhance gender diversity.

During 2019, various initiatives were introduced to improve this within the Company:

- We introduced an integrated approach to our recruitment activities which has strengthened the overall talent pipeline and resulted in raising the number of women holding positions in the Company, a milestone that we are proud to report on.
- We also actively support our female staff in setting up their own professional networks. International Women's Day is always a highlight, an event that is celebrated worldwide, and we support our female staff to join reputable forums and conferences for their development & professional growth.

Recognizing Performance

Tri-Pack has always rewarded its people based on their performance and contribution to its values and success.

We want to recognize those who not only exceed performance expectations but also walk the extra mile and are truly autonomous when it comes to reinforcing safety & our values at the workplace.

This year, we extended our Rewards Program i.e. Employee of the Month Award and a bi-annual Safety Champions Award(s) to our 03rd party employees as well.

People & Culture

Our desired culture is underpinned by our Purpose, Values, and the Code of Conduct, as well as focused on delivering quality employee experience, simplifying things and always learning.

We are committed to provide our employees with a safe and inclusive environment in which all employees are living by our Values and are empowered to 'speak up' and raise ideas or their concerns.

To this end, we seek to understand and improve our culture / org. health on an ongoing basis and are continually improving the way we track and measure our progress through our annual Employee Engagement Survey.

In 2019, we maintained higher levels of employee engagement i.e. 65% as reported by Mercer's EEI Report which is higher than the industry average and our previous year's score.

Time and again we have used this survey's results to help us take action in areas where there is room for improvement. For example, last year we have worked extensively to improve work-life balance at the workplace by bringing in new standards for our Leaves & Attendance policies and improved work timings at both the Plant and Regional Office level.

2019 highlights include: strengthening our Learning & Development agenda; evolving our approach towards transformation of working structures and change management; redesigning and improving how we manage and reward our people; takeoff of our Leadership Development Programs: Leadership Advantage and Leadership Essentials; launch of the fully automated Time Office platform; and a record level engagement survey result for Tri-Pack.



We Care - Employee's Health... Our Priority

Today, safety and health issues are of paramount importance for every organization. Tri-Pack believes that our employees' health is a key criterion to the success of the organization. Keeping this in view, we not only conduct medical screening for our potential employees before they join the Company but also have annual health checkup programs and awareness sessions for our employees.



Whistle Blowing Policy

Purpose

The purpose of this document is to provide guidelines to establish an objective and impartial process for prevention, detection and remedial measures of unethical behavior, corruption and fraudulent activities that may cause damage to the Company's assets or reputation. This would ensure a safe, ethical and productive working environment free from any prejudice, harassment, fraud or other malpractices.

Policy Statement, Objective & Scope

Policy Statement

All the complaints received through whistle blowing channel would be investigated in a fair and transparent manner. The Company has zero tolerance policy against issues relating to non-compliance to the Company's Code of Conduct including corruption, bribery, misappropriation, violation of rules and regulation etc. and strict action would be taken against those convicted in such cases including termination of employment or business relationship.

Objective & Scope

1. The objective of this document is to ensure that the Code of Conduct is upheld through transparent and fair process. Employees are encouraged to question, discuss, and share information regarding any suspected irregularities or non-compliance with the Code of Conduct.

2. The types of issues which may be reported includes but are not limited to:

- Breach of the Code of Conduct;
- Corruption;
- Harassment;
- Misappropriation of financial data/reports;
- Misuse of Company's assets;
- Violation of applicable laws & regulations;
- Action raising safety, security, and environmental concerns;
- Damage to Tri-Pack's reputation or business; and
- Discrimination against a person on the basis of his/her race, sex, identity, age, nationality, ancestry, religion, physical/mental disability or marital status.

3. This policy and related procedures are applicable to all employees, contractors and other stakeholders of the Company to encourage them to raise their concerns rather than overlooking them.

4. Raising concerns does not mean disloyalty to colleagues, subordinates or supervisors; rather it is a valuable contribution towards the colleagues and the Company which would prevent inequality, harassment or a harmful trend of dishonesty, unlawful or unethical conduct.

5. An employee will assume full responsibility for accusation placed against a person for any act of discrimination, harassment, breach of the Code of Conduct or unethical business practices. Any wrongful accusation may also call for a disciplinary action.

6. Whistle blowing process has been devised to:

- encourage people to raise their concerns and feel confident in questioning and acting upon the Code of Conduct;
- provide channels to raise concerns in confidence and receive feedback on any action taken;

- ensure that response is provided against concerns; and
- assure complainants that their identity would be kept strictly confidential and protected from possible reprisals.

7. HR Department shall take measures for dissemination of the policy to create awareness among the people and encourage them to raise concerns through this procedure.

Reporting Procedure

1. Any person who believes that he/she has been a victim of discrimination, harassment or becomes aware of any activity which breaches the Code of Conduct or law should immediately report the issue under this policy. Confidentiality of all complaints would be ensured and appropriate remedial action would be taken after thorough verification/ investigation of underlying facts and details.

2. For communication of complaints following modes should be used:

- Email to: "whistle@tripack.com.pk" OR
- Send mail to: Head of Internal Audit

Shahrah-e-Roomi. P.O. Amer Sidhu Lahore - 54760
Packages Limited Lahore, Pakistan

All complaints would be communicated to the Chairman of Board Audit Committee and Head of Internal Audit through mail forwarding facility.

3. If it is determined that the allegations constitute an act of harassment, breach of the Code of Conduct or law or constitutes unethical business practices; the allegations would be investigated by the Head of Internal Audit by forming an investigation team. Investigation of complaints would be conducted with high level of objectivity, impartiality and fairness.

Calendar of Major Events

JANUARY 2019

10th 126th Meeting of the Board of Directors

FEBRUARY 2019

25th 70th Meeting of the Audit Committee

26th 127th Meeting of the Board of Directors

MARCH 2019

10th Women's Day Celebration at Tri-Pack

22th CEO Townhall

APRIL 2019

4th Packages Group ACTS Forum for Women Empowerment: Karachi - Health Awareness Program

16th 27th Annual General Meeting

17th 71st Meeting of the Audit Committee

18th 128th Meeting of the Board of Directors

19th Annual Sales Conference

25th Tri-Pack Cricket Championship- Challenge on Turf

MAY 2019

3rd NOWPDP's - How to become a Disability Confident Organization

15th 129th Meeting of the Board of Directors

JUNE 2019

17th Summer Internship Program 2019

JULY 2019

15th Behavior Based Safety (BBS) Campaign

AUGUST 2019

19th Commencement of the year long Leadership Essentials & Leadership Advantage Program

20th BCR Awards - ICAP

20th 72nd Meeting of the Audit Committee

21st 130th Meeting of the Board of Directors

SEPTEMBER 2019

16th Successful migration from OHSAS 18001 to ISO 45001

OCTOBER 2019

17th 73rd Meeting of the Audit Committee

18th 131st Meeting of the Board of Directors

NOVEMBER 2019

8th Long Service Awards

DECEMBER 2019

11th Annual Blood Donation Drive

20th 132nd Meeting of the Board of Directors

Best Corporate Reports Awards



2018



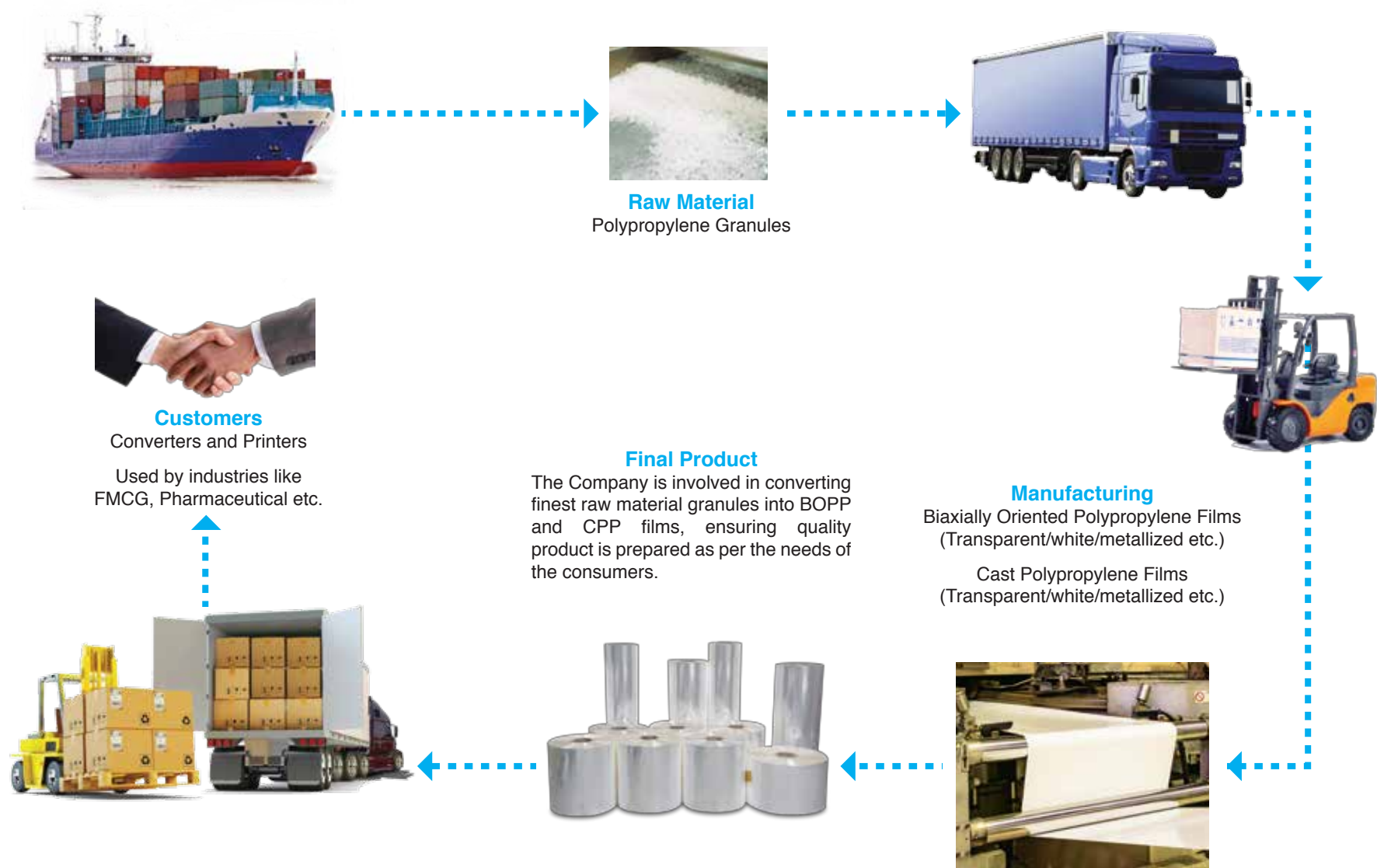
2017



2016

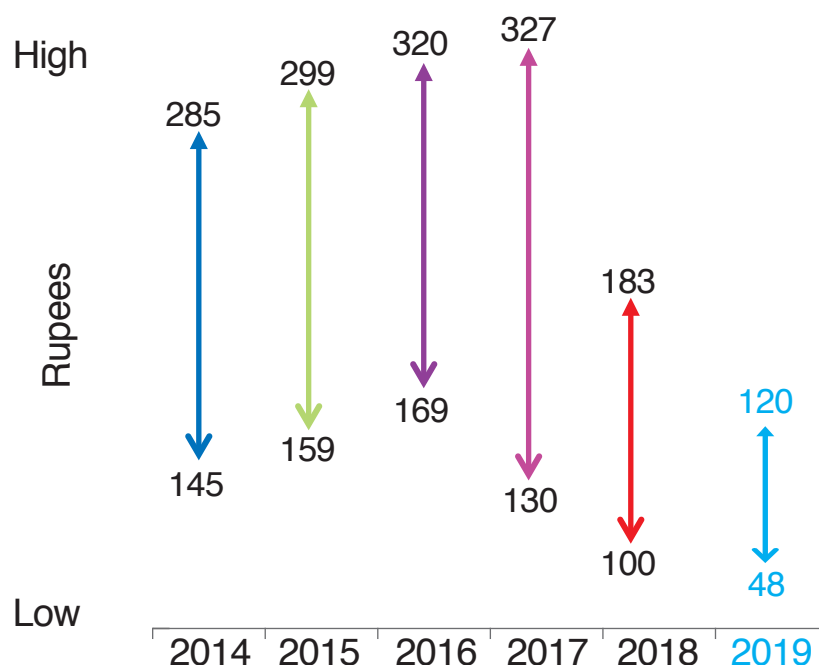
Position in Value Chain

Tri-Pack has always strived to deliver best quality products to its customers and one of the main factors that helped the Company to execute it efficiently is through an efficient value chain network.



Share Price Sensitivity Analysis

Market Value per Share



The share price of the Company is based on the financial position which may be affected by various internal and external factors. Following are some of the factor that influenced the performance of the Company as well as the share price.

Currency Exchange Rate

Being an import oriented company, fluctuation in exchange rate has a major impact on the cost of production and therefore directly affects the profitability of the Company. During the current year the Company was faced with the challenge of depreciation of Pak Rupee against major currencies. However, in Q4 stability in exchange rate was witnessed.

Economic State of Affairs

Economic conditions remained uncertain which had an adverse impact on the economy and the industries within. The geopolitical turmoil in the Middle East and the trade crisis between major economic powers of the world, also impacted the economy of our country. This brought the overall economy of the country to a standstill.

Fiscal Policy

Minimum tax on import of raw plastic material continued to impact the profitability of the Company. Further, certain requirements for unregistered customers introduced by the government also impacted the profitability of the Company in Q3 mainly.

Monetary Policy

Being a highly geared company, the Company is exposed to interest rate risk. During the year, policy rate increased by 486bps and impacted the profitability of the Company.

Inflation

Inflation remained high during the year on account of adjustment in the price of electricity, gas and a significant increase in perishable food prices. Rising prices in the country adversely impacts the purchasing power of individuals thus affecting the demand of films and in turn the share price due to reduced profitability.

Operational Efficiency

Reduction in waste and increased usage of recycled material helped in achieving better operating performance.

Stock Market Performance

The unexpected macro adjustment such as depreciation of exchange rate, increased interest rates, and political and economic instability continued to influence the stock market throughout 2019. PSX 100 Index started from 37,067 points and ended at 40,735 points with the highest and lowest being 42,056 and 28,671 respectively.

Analysis of Resources

Liquidity, Cash Flow & Debt Management

This year the Company had a cash inflow from operations amounting to Rs 3.6 billion through efficient working capital management and conversion of payment terms from sight to usance on imports from Q3 onwards citing stable Pak Rupee parity against major currencies. This strategy was opted in the second half of 2019 after considering the stability on Pak Rupee against major currencies. Stock reduction was achieved through effective planning and improved supply chain with suppliers. Slight improvement was witnessed in trade receivable through focus on collection using different strategies including revision in credit limit of customers.

The management continued to monitor the cash position through a dedicated reporting mechanism on a daily basis as it affects the liquidity position and hence the cost to the Company.

Tri-Pack films limited has financing arrangements with all the reputed banks and has obtained both short term and long term loans to fund its projects and to meet short term working capital requirements.

Debt repayment were made in normal course of business.

Capital Structure

Total debt to equity ratio decreased at 60:40 (2018: 65:35) as a result of decrease in short term loan on account of improvement in working capital needs.

Significant Plans and Decisions

The Company has remained committed in achieving process improvements through technological advancements and upgradations. During the current year the Company incurred capital expenditure on advanced recycling and waste handling machines with the idea of sustainability on the back of it due to which the Company was able to increase its usage of recycled material. Further, the Company also has capital commitments in respect of balancing, modernization and replacement of machines which will result in even further improvement in operational efficiencies.

Analysis of Financial & Non-Financial Targets

At Tri-Pack, we have a robust mechanism of determining financial and non-financial targets for all the teams. Financial targets are set during the budgeting exercise, which after review and endorsement by the Executive Management Team are approved by the Board of Directors of the Company. These financial targets are cascaded down as the key performance indicators at departmental and individual level.

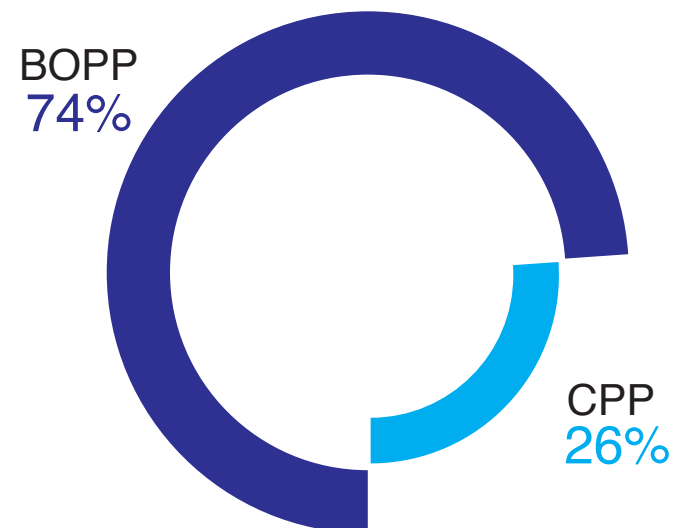
On the other hand, non-financial targets of the Company are closely linked with overall objectives and are set as part of the objective setting process of executives and management at the start of the year. These include employee engagement scores, development and enhancement of employee skills, safety, health and environmental benchmarks, quality benchmarks, training and development targets etc.

These financial and non-financial targets set for the year 2019 have been achieved successfully.

Market Share Information

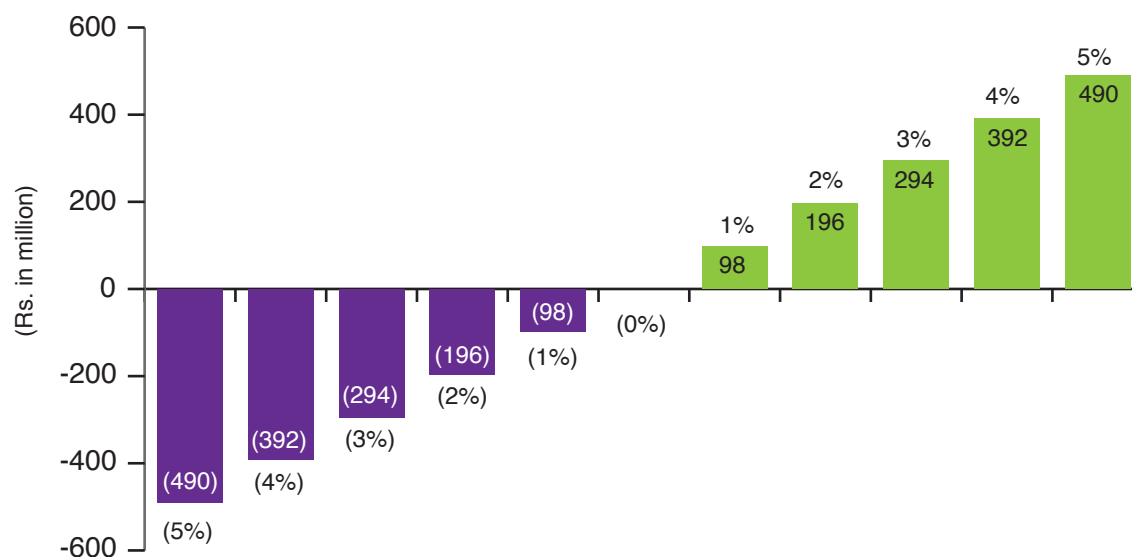
Tri-Pack Films Limited is the leading manufacturer of Biaxially Oriented and Cast Polypropylene (BOPP & CPP) packaging films. Product innovation and catering to customer needs has been our hallmark. Our success lies in our continuous focus on providing the best quality products. We aim to remain steadfast in our belief and corporate mission strategy. It is our aim to spread our footprint in the global market with the same enthusiasm.

Sales Wise Segmentation (Volume terms)



Composition of Local and Imported Material and Sensitivity Analysis Due to Exchange Fluctuation

The Company imports all of its raw material from different regions of the world. The Company is exposed to foreign currency fluctuation for all the materials imported and is directly impacted by any change in the exchange rates. Keeping all the factors constant, 5% increase or decrease in exchange rate would have an impact of Rs. 490 million.









Significant Changes from Prior Year

The Financial statements of the Company were prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017. This year new accounting standards - IFRS 9, IFRS 15 and IFRS 16 – were effective and relevant to the financial statement of the Company. The details of the implementation of the accounting standards are disclosed in the annexed financial statements.

This year the Company continued its focus on achieving operational efficiency through waste reduction and increased use of recycled material. Furthermore, the Company generated Rs 3.6 billion cash in 2019 compared to cash out flow of Rs 0.4 billion mainly on account of conversion of LC terms from sight to usance keeping in view the stability in the exchange rate.

PESTEL Factors Affecting the Company

Factor	Description
 Political	<p>Political factors are all about the how and to what degree a government intervenes in the economy or a certain industry.</p> <p>2019 has been a crucial year for the Country considering the uncertainty in the political environment. The after effects of 2018 election continued with the new government trying to bring political sanity in the country by countering corruption. Furthermore, tension with the neighboring country escalated during the year with representations being made at various international forums.</p> <p>The Company remains vigilant to the political environment of the Country and takes necessary steps to mitigate and avoid any adverse impact on the Company's business.</p>
 Environmental	<p>Environmental factors refer to the external environment that affects the Company. Every Company has its impact on the environment.</p> <p>In respect of Organizational Health & Safety Assessment Series (OHSAS), we achieved another milestone through transitioning from ISO 18001 to ISO 45001 well before its planned implementation in 2021. Furthermore, to operate more sustainably and responsibly in our business and yield greater social impact, we have aligned our environmental and social obligations to the United Nations Sustainable Development Goals (SDGs). Furthermore, the Company has taken measures to increase the recyclability of waste with the idea of sustainability remaining the core focus.</p>
 Social	<p>Social factor includes the dimension of general environment representing the demographic characteristics, norms, customs and values of the populating within which the organization operates.</p> <p>The Company fulfils its Corporate Social Responsibility by actively contributing towards the welfare of the society. This year also the Company made donations to various organization working for a social cause, provided financial aid to merit student and encouraged women empowerment within the Company.</p>
 Technological	<p>Technological factors pertain to innovations in technology that may affect the operations of the industry and the market favorably or unfavorably.</p> <p>Advancement in technology often plays a vital part in the growth of a Company. Not catching up with technological advancements curtails process and product advancement which adversely affects results.</p> <p>Tri-Pack is persistent in product development and innovation as the Company recently installed Perforating machine to produce Perforated films and reduce its cost of production through technological advancement like installation of recycling equipment, slitting machines and other waste handling machines.</p>
 Economical	<p>Economic factors are connected with goods, services and money and directly affects the performance of the Company. Despite directly affecting businesses, these variables refer to financial state of the economy. These factors include inflation rates, mark-up rates and exchange rate.</p> <p>The economy of the country remained uncertain with rising interest rates and depreciation of Pak Rupee against major currencies adversely impacting the profitability of the Company.</p> <p>These economic factors are regularly being monitored by the management taking proactive measures to consolidate on positive economic indicators while countering the negative ones. Furthermore, necessary steps have been taken by shifting of LC terms from sight to usance keeping in view the stability in the exchange rate. The difficulties in the business and economy is expected to remain a challenge for the Company.</p> <p>Year 2019 has been a difficult year when it comes to laws and regulation based on the initiatives taken by the government to bring the economy back on track. Major change in law affected the sales to unregistered section. Further, minimum tax at the import stage as full and final discharge of tax liability continued to have an adverse impact.</p>
 Legal	<p>Legal factors include current and impending legislation that may affect the industry in areas such as employment, competition, and health and safety.</p> <p>Tri-Pack abides by all the applicable laws like Companies Act 2017, Income Tax Ordinance 2002, Code of Corporate Governance, laws related to labor, environment etc.</p>

Resource Allocation Plan

Human Capital

Our people are behind every aspect of our strategy and are committed to deliver a superior product and outstanding customer experience. It is very important for us to understand the internal climate of the workplace and gauge engagement and satisfaction levels of our staff. One in every three years, our employees are invited to participate in an engagement study which allows us to measure engagement levels and identify ways to improve how we do things. Further, on the organization's part, be it through on-job or external training workshops, job rotation opportunities, individual coaching, or knowledge transfer through special projects & assignments, the goal is to nurture our people so that they are motivated and well equipped to have long, fulfilling careers with the Company and deliver future-focused performance.

Manufactured Capital

Tri-Pack Films Limited has installed four BOPP lines and two CPP lines. Besides that, the Company has several metallizers and slitting machines to cater customer's specific requirements. Further, with the use of advanced recycling machines the Company is able to recycle majority of the plastic waste which is aligned with the Company's ever increasing focus on sustainability. To further improve operational efficiency and reduce process wastages, focus remained on engagements with consultants from equipment suppliers and industry experts. We lay strong emphasis on maintaining machine integrity through our TPM process. We encourage Kaizen and staff are rewarded on the quality of Kaizen. Full utilization of plant maintenance module on SAP helps in maintenance of plant ensuring machine integrity.

Financial Capital

As at December 31, 2019, the Company has a debt to equity ratio of 28:72 and an outstanding long term loan of Rs 1.27 billion including current maturity which has reduced from last year mainly due to scheduled repayments. Further, the short term borrowings stood at Rs 3.6 billion, which has reduced mainly on the back of effective working capital and cost management.

Intellectual Capital

The Company is operating in an environment where internal and external stakeholders are being provided with complete technological support when it comes to ERP. Extensive utilization of SAP, automated workflows and portals improve efficiency and costs. Further, the Company has always remained committed in creating value for its customers in terms of providing them with new as well as better quality products which are developed and tested by our research and development department.

Social and Relationship Capital

We believe that regular communications with shareholders is an important part of creating an open and constructive dialogue. We respond to our shareholders' expectations through improvements in business operations, effective governance and corporate reporting framework. When it comes to customers Tri-Pack films has invested significantly over the years in customer relationship management going beyond extending usual credit facilities and trade discounts. Further to fulfill social responsibilities we actively coordinate with various organizations.

Liquidity Strategy and Financing Position

Current Liquidity Strategy

The liquidity position of the Company is stable with the unutilized short term facilities of Rs 2.44 billion. The Company on daily basis monitors its cash position and makes proactive decisions either to utilize the available limits or to enhance the limits if any in order to meet the working capital requirements. Company has never failed in scheduled repayments of long term loans.

As at December 31, 2019 the outstanding loan in the Company's books is Rs 4.84 billion out of which short term financing is Rs 3.57 billion.

Financing Position

The Company has cordial business relations with all the reputed banks and financial institutions of the country. Adequate unutilized short-term financing facilities are available at the Company's disposal. In the past the Company has obtained long-term loans to finance expansion projects at attractive mark-up rates, the repayment of which is as per schedule.

Risks and Opportunities

Tri-pack Films limited has always been focused to mitigate all possible risks faced by the Company and avail opportunities to increase market share and business. Tri-pack has always considered the appetite of shareholders before taking decision ensuring that they are in the best interest of the business.

Risks

Risk	Source	Likelihood	Magnitude	Mitigating Factor
Decrease in duty of films. Increase in duty of raw materials. Increase in smuggling of films through Afghan Transit.	External	High	High	Anti-dumping duty is in place against import of finished films from different countries. Moreover, Regulatory Duty is kept in check and coordination with relevant government agencies through external consultants is done regularly. Any new tax is paid on merit basis only and any unconstitutional move is challenged through tax consultants and legal advisors. In case of removal of anti-dumping or regulatory duties there will be irreparable loss to the industry.
Gas availability Reduction in gas pressure or deterioration in gas quality resulting in low load on engines and production losses.	External	Medium	Medium	In case of recurrent gas load management / shut down generators are rented at significant cost. Also, quality of gas is being monitored on constant basis and in case of identification of quality issues furnace oil engine is used to compensate for load reduction. Further, the Company is also seeking for backup sources of energy.
Adverse law & order situation in the operating environment disrupting normal business operations (Terrorism, security threats, strikes, riots etc.).	External	Low	High	A threat alert system is in place whereby security head proactively communicates with staff on current security situation of the city/country. In case of any unforeseen security situation, appropriate security measures are taken as per the security protocol. All emergency numbers have been communicated to staff.
Mishandling/ damage to materials during loading, unloading and transit due to vehicle breakdown, road conditions, use of improper equipment etc.	External / Internal	Low	Low	Proper handling is ensured at the workplace. In transit insurance is available.
Cyber security threat/ password hacking or information integrity compromise (e.g. wrong/ unauthorized postings)/ information leakage.	External	Medium	High	Both hardware and software firewalls installed and updated on real time basis. Updated anti virus is installed on computers.
Credit Risk	External	Low	Medium	Credit limits are regularly monitored and timely follow ups are made with customers to ensure that no customer breaches the approved limit.
Machine Breakdown	Internal	Low	High	Timely repair and preventive maintenance of machines are conducted to avoid risk of breakdown

Risk	Source	Likelihood	Magnitude	Mitigating Factor
The risk that taxes will increase or an audit will reassess taxes of previous years and enhance the assessment.	External	Low	Medium	Since we obtain exemption certificate based on our refunds, tax is reassessed usually. However, self assessment is rarely enhanced. We file self assessment through our tax consultants after thorough calculations and verifications.
Fluctuation in exchange rate will have a significant impact on the profitability of the Company as all of our raw material is imported.	External	High	High	Taking into account the foreign currency exposure, timely monitoring is done and credit strategies are prepared to cope with fluctation in exchange rate.

Opportunities

Opportunities	Source	Likelihood	Magnitude	How to Achieve them?
Exploring potential market opportunities	External	High	Medium	The Company is focused on innovation and product development to enter new markets and attract demand. Further, we are targeting to enter untapped local and international markets.
Available capacity to diversify products and cater large orders	External / Internal	High	High	The Company is committed to exploit all potential markets, both locally and internationally, to maximize volumes and improve market share.
Reduction in cost of production by adopting latest technology solutions	Internal	High	High	We have ensured that manufacturing lines are maintained preventively and timely repaired when needed for smooth production. We have recently upgraded our manufacturing line to improve quality and productivity, installed a new recycling unit to reduce cost and installed state-of-the-art slitting machines for improved profitability.
To move towards specialized films market	Internal	Medium	Medium	Continuous research and development is being done. Further investment plans are in place to enter into specialized films' local and export market.

Materiality Approach

Materiality has been approved by the Board of Directors as per the requirement of Code of Corporate Governance. Materiality has been defined on Statement of Profit or Loss and Statement of Financial Position line items. Based on this, the Board of Directors of Tri-Pack Films Limited has approved authority remits and power to the Company's management for taking day to day decisions.

In order to execute day to day operations/ transactions delegation of powers has also been defined clearly and formalized procedures are followed.



Corporate Governance

Statement of Ethics & Business Practices

- A. Tri-Pack Films Limited shall endeavour to promote fair business practices and conduct the business with the principles of integrity, objectivity and financial prudence.
- B. It is the policy of the Company to comply with all applicable laws, rules and regulations. Violations may result in disciplinary actions.
- C. All employees are expected to adhere to all internal corporate rules and policies in the performance of their jobs.
- D. Employees must avoid conflicts of interest between their private financial activities and conduct of Company business.
- E. All managers and supervisors shall be responsible to see that there is no violation of law, within their area of responsibility and take proper measures within corporate policy framework and financial ethics standard.

Corporate Governance Framework

Our Corporate Governance framework is designed to ensure that the Company embodies its core values and principles that emphasize on high standards of integrity, transparency and trust at all levels of the organization. Our policies and practices are to ensure that the Company is managed with integrity in the best interest of shareholders. In addition, we are committed to upholding sound principles of corporate governance and to meeting the requirements of all statutory laws and regulations of the Country. The Board of Directors has adopted Code of Corporate Governance, which along with the charters of the Board Committees, the Company's Code of Conduct for employees and operational policies and procedures, provide the framework for the governance of the Company.

Internal Control Framework

The Board of Director through senior management is responsible for the Company sound internal control system and reviewing its effectiveness. The purpose of internal control framework, whilst ensuring conduct of business in smooth, orderly and efficient manner is to:

- Protect and safeguard the Company's assets;
- Prevent and detect fraud and error;
- Ensure the completeness and accuracy of the financial records;
- Comply with management policies and procedures.

The internal control system and compliance are monitored through well documented Standard Operating Procedures (SOPs) and a combination of audit reviews and periodic performance monitoring.

While developing controls, the extent and cost of control procedures are assessed with a view to reduce risk to an acceptable and cost effective level.

Audit

Tri-Pack has an effective Internal Audit function which has been outsourced to EY Ford Rhodes, Chartered Accountants. The Head of Internal Audit functionally reports to the Audit Committee. The Board Audit Committee approves the audit program, based on the annual risk assessment of operating areas and periodically reviews the appropriateness of this function. The Internal Audit function carries out reviews on the financial, operational and compliance controls and reports on findings to the Board Audit Committee.

Risk Assessment

The Company is working in an environment with constant view of risk involved and so the Company has maintained a risk register which assists the management in taking possible actions to reduce the consequences of the risks associated to the Company. Risks are identified by different departments and considering the probability and impact, scores are assigned to each risk. Management then recommends and ensures that mitigating controls are in place. The risk register is approved by the Board of Directors and reviewed on periodic basis.

Insider Trading Policy

The Company has a defined policy on insider trading. The purpose of this policy is to set forth guidelines on purchase or sale of securities while in possession of inside information. It is the responsibility of the Company to inform the public as soon as possible of inside information which directly concerns the securities. However, it may delay the public disclosure of inside information in order not to prejudice legitimate interests, provided that such delay does not mislead the public and provided further that the Company is able to ensure the confidentiality of the information. Decision to delay the public disclosure of inside information shall be communicated to SECP forthwith.

The policy requires all employees to maintain confidentiality of inside information at all times. The Company takes effective steps to maintain and update a list of employees who have access to inside information. Moreover, according to the policy no employee shall transact directly or indirectly in Company's securities while in possession of inside information.

Related Party Transactions

As required under Fourth Schedule to the Companies Act, 2017, detailed disclosures regarding related party transactions have been presented in note 36 to the financial statements presented afterwards in this annual report. Such disclosure is in line with the requirements of the Fourth Schedule to the Companies Act, 2017 and applicable International Financial Reporting Standards.

Approved Policy for Related Party Transactions

The Board of Directors has approved a policy for Related Party Transactions, which require that the Company shall carry out transactions with its related parties on an arm's length basis in the normal course of business. The term 'arm's length' requires conducting business on the same terms and conditions as the business between two unrelated / unconcerned persons. The policy specifies that all transactions entered into with related parties shall require Board's approval.

IT Governance

Tri-Pack believes that without strong IT Governance, the business value of IT is substantially impaired and the organization becomes subject to the inefficiencies of short-term, tactical IT deployments, unproductive use of human resources and IT assets, breaches of data security and regulatory requirements. IT Governance structure fully capable of meeting business and reporting challenges is in place.

The Board Audit Committee

The Committee meets at least once every quarter and assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to shareholders, systems of internal control and risk management and the audit process. It has the power to call for information from management and to consult directly with the external auditors and other advisors as considered appropriate. The Chief Financial Officer regularly attends the Audit Committee meetings by invitation to present the accounts. After each meeting, the Chairman of the Committee reports to the Board the committees recommendations.

Directors

The Board is comprised of two Non-Executive Independent Director and six Non-Executive Directors. The Board has the collective responsibility for ensuring that the affairs of the Company are managed competently and with integrity. All Board members are given appropriate documentation in advance of each Board meeting. This normally includes a detailed analysis on businesses and full papers on matters where the Board requires to make a decision or give its approval.

Directors' Training

All Directors have either attended the Directors' Training Program or have minimum of 14 years of education and 15 years of experience on the Board of listed companies and therefore are exempt from the Directors' Training Program. During the year the Board has arranged Directors' Training Program for Mr. Atsushi Fujii and Mr. Yukio Hayasawa.

Female Director

The requirement for a female Director on the board of a listed company has been mandated by the new Company Laws. Tri-Pack Films Limited has inducted a Female Director on its Board.

Independence, Conflict of Interest & Material Interest

As per the requirements of law the Board includes two Non-Executive Independent Director out of which one is the Chairman of Board Audit Committee and Human Resource & Remuneration Committee. Material interests are reviewed regularly to avoid any conflict of interest. Every employee and executive is expected to be honest and ethical in dealings with each other, with customers, suppliers, contractors in order to avoid compromises on the ability of transacting business on competitive basis.

The Directors of the Company disclose their memberships / directorships in other corporate bodies as per the requirements of Companies Act 2017.

Moreover, a vigorous mechanism to report exceptions, if any to the office of Internal Audit Function has been established within the Company to ensure that Company's resources are utilized in the shareholders best interest.

Role of the Board

The Company has a Corporate Governance Policy in place, which provides guidelines about administration of Board of Directors.

The Board of Directors of the Company meets on quarterly basis as required by the Companies Act 2017. Moreover, the Board meeting can also be convened to approve significant matters such as approval of revenue and capital budget of the Company, to review significant changes in the operations of the Company including plans for expansion, capital and operational restructuring, approval of new policies & procedures and significant amendments to current policies & procedures etc. Due communication is made of all such meetings and their outcome as required by the Securities and Exchange Commission of Pakistan.

Principal Board Committees including Executive Committee, Board Audit Committee and Human Resource and Remuneration Committee are also in place to oversee the operations of the Company.

The Board of Directors systematically designs procedures to ensure sound, transparent and efficient corporate management. The Company makes decisions to conduct business activities in appropriate manner in the light of the size, industry sector and relevant laws and regulations.

The Board has authorized the Chief Executive Officer (CEO) to maximize corporate value in conformity with the law, internal corporate rules, memorandum and articles of association of the Company while considering the overall interest of shareholders. CEO has further been authorized to define the Company's mission / vision statement and ensure the alignment of objectives, from grass root level to the top, with the mission / vision.

The Board regularly evaluates performance of the Company ensuring proper conduct of operations directly and indirectly through Board Committees and the CEO.

Role and Responsibility of the Chairman

- To preside over the Directors' and General Meetings ("Meetings") of the Company;
- To ensure that requirements of the Articles of Association and of the laws and other applicable regulations are appropriately addressed and complied with by the Company in connection with the Meetings, including the Code of Corporate Governance;
- To ensure that the Meetings are duly convened and properly constituted. It is the responsibility of the Chairman to ensure, on the advice of the Company Secretary, that the Meetings are held after due notice has been given and that all those who are present in the Meetings have a right to be there and that the necessary quorum is present;
- To sign the minutes of the last Meetings after such minutes have been prepared, approved as corrected, if required, by the persons attending immediately next Meeting, or earlier if so required or is necessary, and after such minutes have been entered in the minutes books;
- To ensure that the business of every Meeting is conducted in the order set down in the previously circulated agenda, subject to the Chairman's right to change this order;
- To ensure, to the extent possible, that order is maintained in the Meetings so that the business of the Meetings may be smoothly conducted. If any members present at a General Meeting behave in a disorderly manner,

the Chairman may instruct them to behave properly. If, in spite of due warning, such members continue to behave in a disorderly manner, if any members use un-parliamentary or abusive language, the Chairman may require them to leave the Meeting, or the Chairman may adjourn the Meeting;

- To decide whether the resolutions moved at a Meeting, or the amendments suggested in such resolutions are in order and within the scope of the Meeting;
- To ensure, to the extent possible, that no discussion is allowed in a General Meeting except on a specific motion before the Meeting;
- To ensure that the views of the minority shareholders are properly heard at General Meetings;
- To ensure voting by raising of hands, or where demanded, by poll and declare the results of the voting and to declare as to whether a resolution is adopted or passed by a Meeting;
- To ensure that voting at an election of Directors is conducted in accordance with the Articles of Association and the law and to declare the names of the Directors elected;
- The Chairman shall have the authority to decide all incidental questions of procedure which arise and require decision at any time during the Meetings. The Chairman's decisions will be final and so recorded in the minutes books;
- To exercise in a proper and business like manner all the powers which are entrusted to the Chairman in the law or the Articles of Association or which are otherwise delegated by the Board to the Chairman;
- In exercising his powers at any Meeting, the Chairman may seek advice of the Company Secretary and/or the Chief Executive and/or any consultants, including the auditors and legal advisors, present in the Meeting.

Role and Responsibility of Chief Executive / Managing Director

The Chief Executive/Managing Director is the chief executive of the Company, and subject to the control and supervision/direction of and any limitations imposed by the Board:

- is entrusted with substantially the whole of the power of management of the business and affairs of the Company;
- has full power (other than the powers required to be exercised at meetings of the Board or the powers which are not delegated by the Board to the Chief Executive) to do all acts, matters and things, deemed necessary, proper or expedient for carrying on the business and concerns of the Company;
- is empowered to undertake the engagement and dismissal of managers, officers, engineers, assistants, clerks and labourers;
- is empowered to make and sign all contracts and to draw, sign, accept, endorse and negotiate, on behalf of the Company, all bills of exchange, promissory notes, cheques, drafts and other instruments; and
- is empowered to delegate all or some of his powers to such other directors, managers or other persons as the Chief Executive/Managing Director may think fit and shall have power to grant to any such persons such powers of attorney as he may deem expedient and to revoke any such powers of attorney;
- is responsible to comply with all such directions and instructions as the Board may from time to time issue and to implement and give effect to all such decisions and resolutions as the Board or the Company in General Meeting may from time to time take, pass or adopt; and
- is responsible to ensure that the Company and its officers and employees comply with all applicable laws and regulations, the Articles of Association of the Company, the agreements and documents signed or adhered to by the Company and regulations of the regulatory bodies, such as (without limitations) the listing and other regulations of the Stock Exchanges on which the Company is listed inclusive of the Code of Corporate Governance.

Remuneration Policy of Non-Executive, Including Independent Directors

The remuneration of the Directors for attending meetings of the Board or Committees of Directors shall from time to time be determined by the Board

based on market trend. Nominee directors from Group Companies and Mitsubishi Corporation, Japan shall not be entitled to receive board/committee meeting fees. If a director is resident out of the place at which any board/committee meeting is held, and who shall come to that place for the purpose of attending board/committee meetings, the director shall be entitled to be reimbursed at actual.

Governance Practices Exceeding Legal Requirements

Tri-pack Films Limited has always believed in going the extra mile and staying ahead of the game. In line with this strategy, not only have we complied with all mandatory legal compliances under the Code of Corporate Governance, the Companies Act 2017 and other applicable rules, regulations and standards. We have also carried out the following activities in addition to the legal requirements;

1. Other information: The management reports various other essential information in this annual report which is not required by law.
2. Dispersal of information: the Company has always ensured that all material information is communicated to the PSX, the SECP and the Company's shareholders as soon as it becomes available. At all times we have ensured that such information is sent out much before the deadlines set out in the laws.
3. Implementation of SHE: the Company has developed and implemented aggressive SHE strategies at its Plants to ensure 100% safety of its people and equipment.

Statement of Management's Responsibility towards the Preparation and Presentation of Financial Statements

The Company, its Board of Directors and the management have always been keen to follow the standards set down by governing institutions. In light of the same strict compliance of all standards set out by ICAP, the Companies Act, the International Financial Reporting Standards have been made.

Annual Evaluation of the Board

The Board evaluation mechanism recognizes the effectiveness and efficiency of the board in meeting their objectives and to evaluate their performance for providing strategic direction and oversight to the management.

For this purpose, on an annual basis a questionnaire is circulated amongst the board members, which is filled and submitted anonymously to the board. The effectiveness of the Board's performance is evaluated against following criteria:

- **Objectives, Strategy and Remits**

The Board devotes quality time in ensuring that their objectives are in lines with those of the organization and adopts the concept of 'Goal Congruence'. It helps in identifying whether goals are being achieved and strategically implemented during the year.

- **Performance Measurement**

The Board has a good understanding of the performance of the organization and takes collective responsibility as a team.

- **Propriety, Fraud and Other Leakage**

The Board ensures that the 'Whistle Blowing Policy' as set out is implemented throughout the organization and takes step to address, if any, failure or perceived weakness.

- **Risk Management**

The Board has a sound process for identifying and reviewing any significant risk and continuously the performance of the Company, keeping an eye on economical factors that might adversely affect the performance of the Company.

Detail of Board Meetings Outside Pakistan

During the year, 7 Board meetings of Tri-Pack Films Limited were conducted and all of these were held in Pakistan.

Executive Director(s) serving as Non-Executive and Independent Director in other companies / body corporate

No Executive Director of Tri-Pack Films Limited is serving as Non-Executive and Independent Director in other companies / body corporate.



Board of Directors



Syed Babar Ali - Chairman

Mr. Ali is the founder of various industries and social welfare institutions. He is the Chairman of Board of Directors since inception of the Company. Besides Tri-Pack, he is the Chairman of Ali Institute of Education, Babar Ali Foundation, Coca Cola Beverages Pakistan Limited, IGI Holdings Limited, Industrial Technical & Educational Institute, National Management Foundation, Sanofi-Aventis Pakistan Limited, Syed Maratib Ali Religious and Charitable Trust Society and Tetra Pak Pakistan Limited. Mr. Ali is also a Director in Nestle Pakistan Limited, Pro-Chancellor of Lahore University of Management Sciences (LUMS) and a Board member of Gurmani Foundation.



Syed Hyder Ali

Mr. Ali is a Non-Executive Member of the Board since inception. He has done his Masters in Sciences from Institute of Paper Chemistry. He holds directorship in several other companies including IGI Holdings Limited, IGI Life Insurance Company Limited, IGI General Insurance Limited, IGI Investments (Private) Limited, Nestle Pakistan Limited, Packages Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited, Sanofi-Aventis Pakistan Limited, Bulleh Shah Packaging (Private) Limited, and Flexible Packages Convertors (Proprietary) Limited, South Africa. He is also serving on the Boards of several philanthropic, educational, charitable and business support organizations including Pakistan Centre for Philanthropy, National Management Foundation, Packages Foundation, Syed Maratib Ali Religious and Charitable Trust Society and Babar Ali Foundation. He is also board member of Ali Institute of Education, International Chamber of Commerce, Lahore University of Management Sciences and World-Wide Fund for Nature.



Mr. Atsushi Fujii

Mr. Atsushi Fujii is associated with the Company as Non-Executive Director. He is the General Manager for Mitsubishi Corporation of Japan's operations in Pakistan. He has a bachelor's degree in Law from Konan University, Tokyo, Japan and has been with Mitsubishi Corporation for 30 years. He has diverse experience in energy, oil and gas and petroleum industries. He joined the Board of Tri-Pack Films Limited in April 2019.



Mr. Khurram Raza Bakhtayari

Mr. Bakhtayari, currently the Chief Financial Officer of Packages Limited, is Non – Executive Member of the Board. He did his Bachelors in Commerce in 1997 from the Hailey College of Commerce, University of the Punjab, Lahore and thereafter qualified as a Chartered Accountant in 2002 from the Institute of Chartered Accountants of Pakistan. He became a fellow member of the Institute in January 2013. He has over 17 years of experience in Pakistan in the field of corporate finance, accountancy, treasury, auditing, corporate affairs and administration. He holds Directorships in several other companies including Anemone Holdings Limited, Bulleh Shah Packaging (Private) Limited, DIC Pakistan Limited, Flexible Packages Convertors (Pty) Limited, IGI Life Insurance Company Limited, IGI Investments (Private) Limited, Maxim International (Private) Limited, OmyaPack (Private) Limited, Packages Real Estate (Private) Limited and Packages Lanka (Private) Limited.



Syed Aslam Mehdi

Mr. Mehdi serves on the Board of Directors of Tri-Pack Films Limited. Formerly, he was the General Manager at Packages Limited. He has been affiliated with the Packages Group since 1980 from where there was no looking back. Having a Master's Degree from IBA, Mr. Mehdi brings with him a wealth of management experience, especially in the areas of Marketing, Operational Excellence and People Management. Currently, he is the Managing Director of Bulleh Shah Packaging (Private) Limited and holds directorship of DIC Pakistan Limited, Packages Limited, Packages Real Estate (Private) Limited, Packages Lanka (Private) Limited and Printcare PLC, Sri Lanka. He is also the member of the Board of Governors of the National Management Foundation and is serving on the Board of Trustees of Packages Foundation.



Mr. Asif Qadir

Mr. Qadir holds a degree in Chemical Engineering from Columbia University, New York, USA. He was elected as Non-Executive Independent Director of the Company on October 03, 2012. He serves on the Boards of Descon Oxychem Limited, Thal Limited and Cherat Cement Limited. He is Chairman of the Board for Unicol Limited and Member Governing Body - Liaquat National Hospital.



Mr. Yukio Hayasawa

Mr. Hayasawa is a Non-Executive Member of the Board. A graduate from Nagoya University, he joined Mitsubishi Corporation of Japan in 1991. He has trading experience in a variety of chemical products, such as industrial/coating chemicals and plastics. He also has work experience at Mitsubishi Corporation Plastics Ltd (a Japanese plastics trading house), a subsidiary of Mitsubishi Corporation.

Currently, he is serving as a General Manager at the Plastics Department of Mitsubishi Corporation.



Ms. Nermeen Towfiq Chinoy

Ms. Chinoy began her career in corporate banking at Bank of America NT&SA. She went on to work at the Dawn Media Group in 2005 where her primary responsibility was as Chief Executive of the radio network, CityFM89. Since 2012 Ms. Chinoy has been based in Dubai running her own trading company dealing in products from United Arab Emirates, Italy, and Pakistan. Ms. Chinoy did her schooling in Karachi and subsequently earned her undergraduate degree in Economics from Smith College, USA. She has over twenty years of experience in the varied fields of banking, media, manufacturing, and trading.



Mr. Nasir Jamal

Mr. Nasir Jamal is the CEO of Tri-Pack Films Limited since March 2016 and is therefore a deemed Director of the Company.

Before being named as the CEO, Mr. Jamal was Tri-Pack's Chief Commercial & Chief Financial Officer where he was responsible for overseeing the commercial, financial and risk management activities for the domestic and international operations of the Company. He joined the Company in 2013 as Chief Financial Officer.

Mr. Jamal has a comprehensive background in Finance and Commercial roles. He has worked for over two decades in multitude of senior positions at different financial and manufacturing organizations, with his last 8 years of service at ICI Pakistan Limited as General Manager Finance. Mr. Jamal is a fellow member of the Institute of Chartered Accountants of Pakistan.

Principal Board Committees

Executive Committee

- Mr. Atsushi Fujii (Chairman)
- Syed Hyder Ali
- Mr. Khurram Raza Bakhtayari
- Syed Aslam Mehdi

The Executive Committee ensures effective and efficient operations of the Company. They meet periodically to assess the progress of the Company against the set targets. The Committee is authorized to conduct every business except the business carried out by the Board of Directors as required by Section 183 of the Companies Act, 2017.

Audit Committee

- Mr. Asif Qadir (Chairman)
- Mr. Atsushi Fujii
- Mr. Khurram Raza Bakhtayari
- Ms. Nermeen Towfiq Chinoy
- Mr. Yukio Hayasawa

Terms of Reference of Board Audit Committee

The terms of reference of the Audit Committee include the following:

- a) Determination of appropriate measures to safeguard the Company's assets;
- b) Review of annual and interim financial statements of the Company, prior to their approval by the Board of Directors, focusing on:
 - Major judgmental areas;
 - Significant adjustments resulting from the audit;
 - Going-concern assumption;
 - Any changes in accounting policies and practices;
 - Compliance with applicable accounting standards;
 - Compliance with regulations and other statutory and regulatory requirements; and
 - All related party transactions.

- c) Review of preliminary announcements of results prior to external communication and publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the Company;
- g) Review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
- h) Consideration of major findings of internal investigations of activities characterised by fraud, corruption and abuse of power and management's response thereto;
- i) Ascertaining that the internal control system including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the Company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
- k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- n) Review of arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential

improprieties in financial and other matters and recommend instituting remedial and mitigating measures;

- o) Recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the Company by the external auditors in addition to audit of its financial statements, measures for redressal and rectification of non-compliances with the Code of Corporate Governance. The Board of Directors shall give due consideration to the recommendations of the Audit Committee and where it acts otherwise, it shall record the reasons thereof;
- p) Ensuring that risk mitigation measures are robust;
- q) Ensuring that appropriate extent of disclosure of company's risk framework and internal control system is given in the Directors Report; and
- r) Consideration of any other issue or matter as may be assigned by the Board of Directors.

Functional Responsibilities

The Committee shall have the following responsibilities:

Financial statements

- Review of preliminary announcements of the Company's results prior to publication and consider whether they are complete and consistent with the information known to Committee members.
- Review of the quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board of Directors. The review should focus on:
 - Major judgmental areas
 - Complex or unusual transactions or significant adjustments resulting from the audit
 - Going concern assumption
 - Changes in accounting policies and practices
 - Compliance with applicable accounting / reporting standards

- Compliance with listing regulations and other statutory / regulatory requirements
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- If necessary and as determined by the Board Audit Committee, review with management, internal auditors and with Legal department, any litigation, claims or other contingency, including tax assessments that could have a material effect on the Company's financial position or operating results.

Compliance, risk & internal control

- Monitor compliance with best practices of corporate governance by the Company under its management control as well as identification and steps to correct significant violations thereof.
- Review reports on violations of business ethics and conflicts of interest issues at the Company under its management control and monitor compliance with the Company's relevant policies.
- Review and handle complaints according to the Company's whistle blowing Policy.
- Monitor compliance with relevant statutory requirements and review findings of any examinations by regulatory agencies
- Determine the effectiveness of measures to safeguard Company's assets.
- Review business contingency plans for managing high risk areas.
- Review management's policies and practices and ascertain the adequacy and effectiveness of the Company's system of internal control, including financial and operational controls, accounting system and reporting structure, and information technology security and control.
- Review Company's statement on internal control systems prior to endorsement by Board of Directors, and deviations from this system which may cause material affects on its financial position and operating results
- Perform any other overseeing functions as requested by the Board of Directors.

Internal audit

- Review the organizational structure, qualifications, skills set and experience of the Internal Audit function and ensure that it has adequate resources to effectively carry out its role.
- Review the overall internal audit scope and extent, the annual audit plans and all major changes thereto at the Company and monitor implementation.
- Review and concur in the appointment, remuneration and performance of Company's Head of Internal Audit.
- Review internal auditors' findings and recommendations including major findings of internal investigations and management's responses/corrective actions. Report matters of audit significance to the Company's Board.

External audit

- Facilitate the external audit and ensure external auditor's coordination with internal audit including review of internal audit reports by external auditors.
- Review the performance of the Company's external auditors and recommend to the Board on matters regarding their appointment, fees or discharge.
- Review and confirm the independence of the external auditors by obtaining written statements from them regarding any interests, other than auditing fees, that they may have in the Company and nature of their relationship with the Company, including non-audit services or employment of former employees of the external auditors.
- Examine external auditor's internal control memorandum / management letters on internal accounting controls and other audit findings and also review management's responses thereto.

Reporting responsibilities

- Annually report to the Board of Directors about committee activities, issues, and related recommendations.

Human Resource and Remuneration (HR&R) Committee

- Mr. Asif Qadir (Chairman)
- Mr. Atsushi Fujii
- Syed Aslam Mehdi
- Mr. Khurram Raza Bakhtayari

Terms of Reference of Human Resource and Remuneration (HR&R) Committee

The terms of reference of the Human Resource and Remuneration (HR&R) Committee include the following:

- a) Recommendation to the Board for consideration and approval a policy framework for determining remuneration of Directors (both Executive and Non-Executive Directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include the first layer of management below the Chief Executive Officer level;
- b) Undertaking annually a formal process of evaluation of performance of the Board as a whole and its Committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the Directors' Report disclosing therein name and qualifications of such consultant and major terms of his/its appointment;
- c) Recommending Human Resource Management Policies to the Board;
- d) Recommending to the Board the selection, evaluation, development, compensation (including retirement benefits) of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit;
- e) Consideration and approval on recommendations of Chief Executive Officer on such matters for key management positions who report directly to Chief Executive Officer;
- f) Where human resource and remuneration consultants are appointed, they shall disclose to the Committee their credentials as to whether they have any other connection with the Company;
- g) Considering and making recommendations to the Board in respect of the Board's Committees and the chairmanship of the Board Committees; and
- h) Keeping the structure, size and composition of the Board under regular review and for making recommendations to the Board with regard to any changes necessary.

Executive Management Team



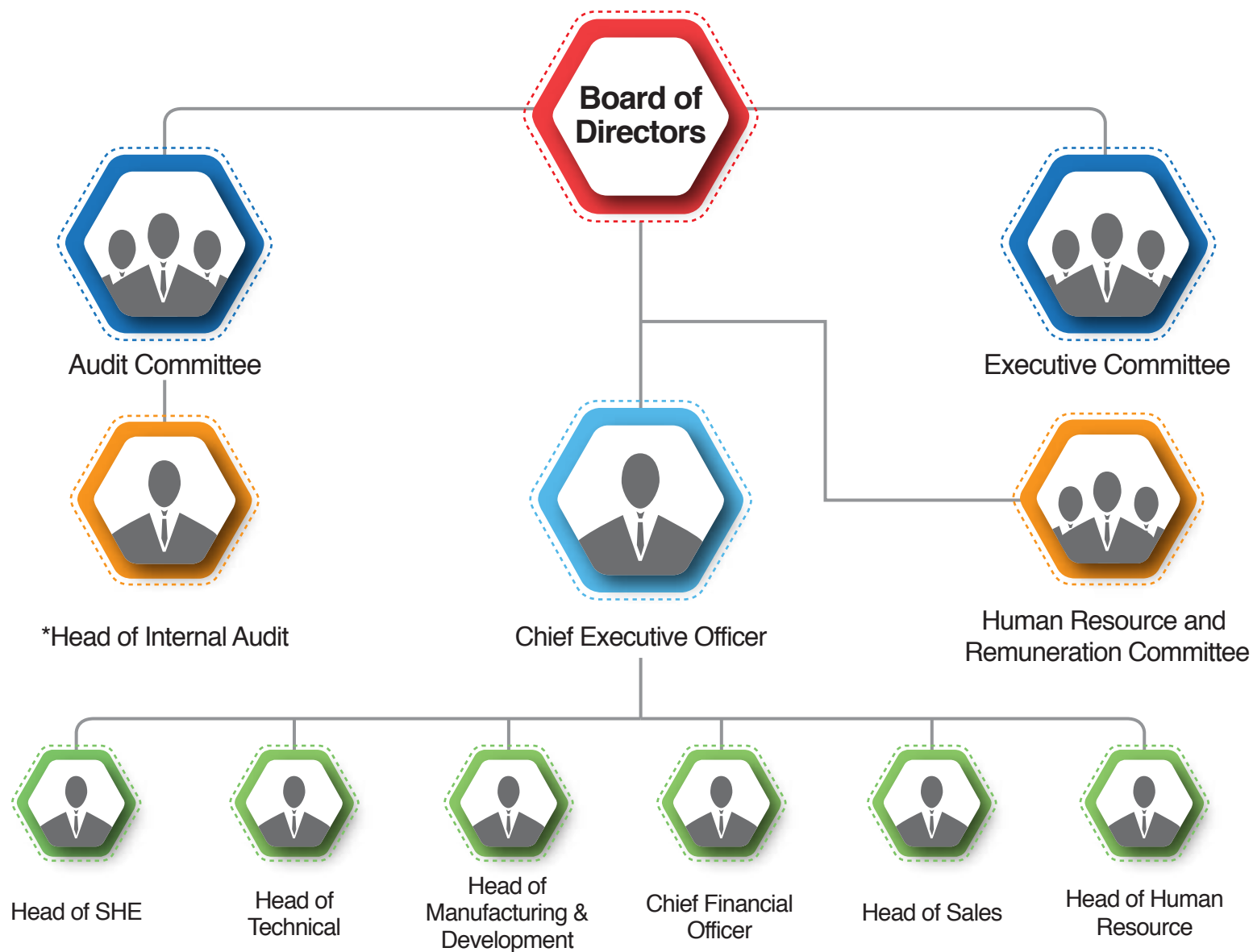
Seated Left to Right:

Mr. Ahmad Akhtar Rehman – Head of SHE
Mr. Mohammad Monir Khan – Head of Technical

Standing Left to Right:

Mr. Adnan Sultan – Head of Manufacturing & Development
Mr. Nasir Jamal – Chief Executive Officer
Mr. Taimoor Ahmed – Head of Human Resource
Mr. Mohammad Omar Khan – Head of Sales

Organizational Structure



*Coordinator. Internal Audit is outsourced to M/s Ernst & Young Ford Rhodes, Chartered Accountants

Statement of Compliance

with Listed Companies (Code of Corporate Governance) Regulations, 2019

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

1. The total number of directors are 8 as per the following:

a. Male:	7
b. Female:	1

2. The composition of the Board is as follows:

a) Independent Directors	2
b) Non-executive Directors	6
c) Executive Directors	-
d) Female (included in Independent Director)	1

Mr. Nasir Jamal, the Chief Executive Officer of the Company, is a deemed director as envisaged in Section 188(3) of the Companies Act, 2017.

3. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.

4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of 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 Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act

and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.

9. All Directors have either attended the Directors Training Program or have minimum of 14 years of education and 15 years of experience on the Board of listed companies and therefore are exempt from the Directors Training Program. During the year the Board has arranged Directors' Training Program for the following directors:-

1. Mr. Atsushi Fujii
2. Mr. Yukio Hayasawa

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.

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

a) Audit Committee:

Mr. Asif Qadir (Independent Director)	-	Chairman
Mr. Atsushi Fujii (Non-Executive Director)	-	Member
Mr. Khurram Raza Bakhtayari (Non-Executive Director)	-	Member
Mr. Yukio Hayasawa (Non-Executive Director)	-	Member
Ms. Nermeen Towfiq Chinoy (Independent Director)	-	Member

b) Human Resource and Remuneration Committee:

Mr. Asif Qadir (Independent Director)	-	Chairman
Mr. Atsushi Fujii (Non-Executive Director)	-	Member
Mr. Khurram Raza Bakhtayari (Non-Executive Director)	-	Member
Syed Aslam Mehdi (Non-Executive Director)	-	Member

The terms of reference of the Nomination Committee are included in the Human Resource and Remuneration Committee and that of the Risk Management Committee are included in the terms of reference of the Audit Committee.

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committee for compliance.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the Committees were as per following:

a) Audit Committee	Quarterly
b) Human Resource and Remuneration Committee	As and when required


15. The Board has set up an effective internal audit function.

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 Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. In terms of explanation to Regulation 6 (1), there are two independent directors in the Company in a Board of eight members. Since Regulation 6 (1) does not contain specific provision regarding rounding of fraction, it is viewed that in the absence of such provision, rounding off is not required and the Company can have a minimum of two independent directors on its Board comprising of eight members.

Karachi:
Date: February 14, 2020


Syed Babar Ali
Chairman

Independent Auditor's Review Report



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Tri-Pack Films Limited

Review Report on the 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 Tri-Pack Films Limited ('the Company') for the year ended December 31, 2019 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2019.

Chartered Accountants
Karachi
Dated: March 3, 2020

A.F.FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Critical Performance Indicators

Financial Indicators

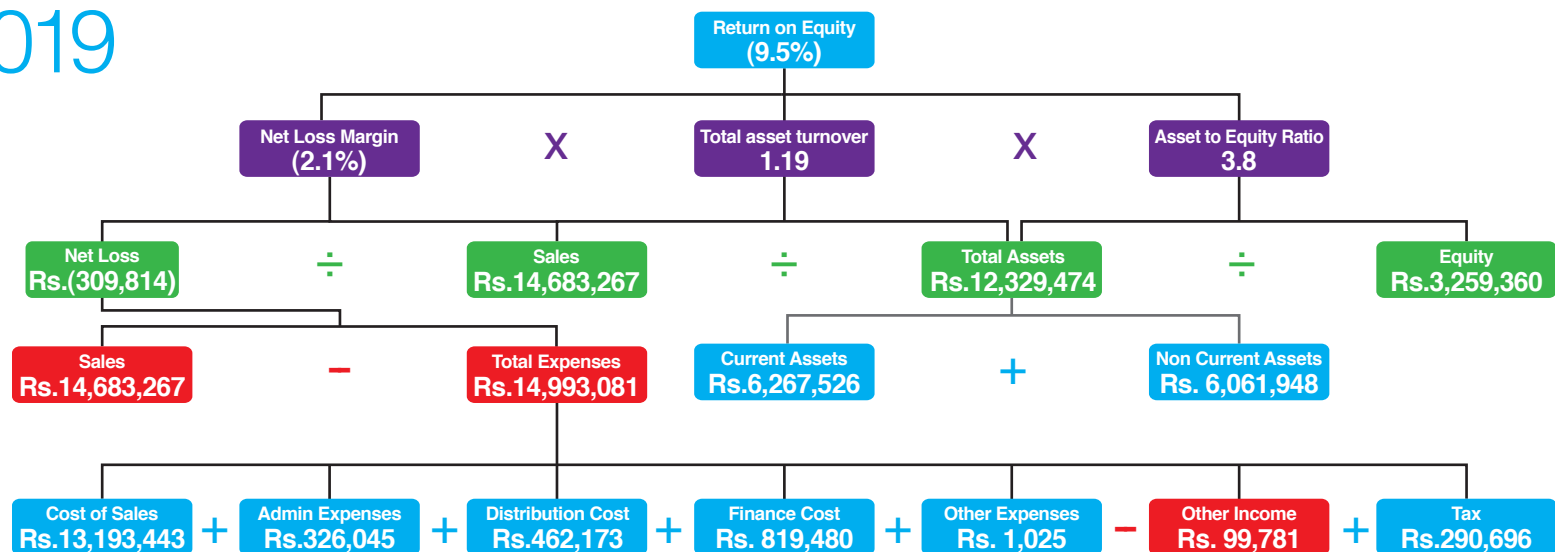
	2019	2018			2019	2018	
Revenue from contracts with customers (Rs in Million)	14,683	13,224	↑		Shareholders equity (Rs in Million)	3,259	3,731 ↓
Operating Profit (Rs in Million)	702	689	↑		EBITDA (Rs in Million)	1,338	1,333 ↑
(Loss) / Profit before taxation (Rs in Million)	(19)	220	↓		Price Earning Ratio (in Times)	(10.5)	26.4 ↓
(Loss) / Profit after taxation (Rs in Million)	(310)	157	↓		Number of Employees	313	322 ↓
(Loss) / Earning per share (LPS / EPS) (Rupees)	(7.98)	4.06	↓		Production (in Metric Tons)	48,004	48,528 ↓
Non Current Assets (Rs in Million)	6,062	6,081	↓		Net Cash Generated from / (used in) Operations (Rs in Million)	3,576	(360) ↑

Non – Financial Indicators

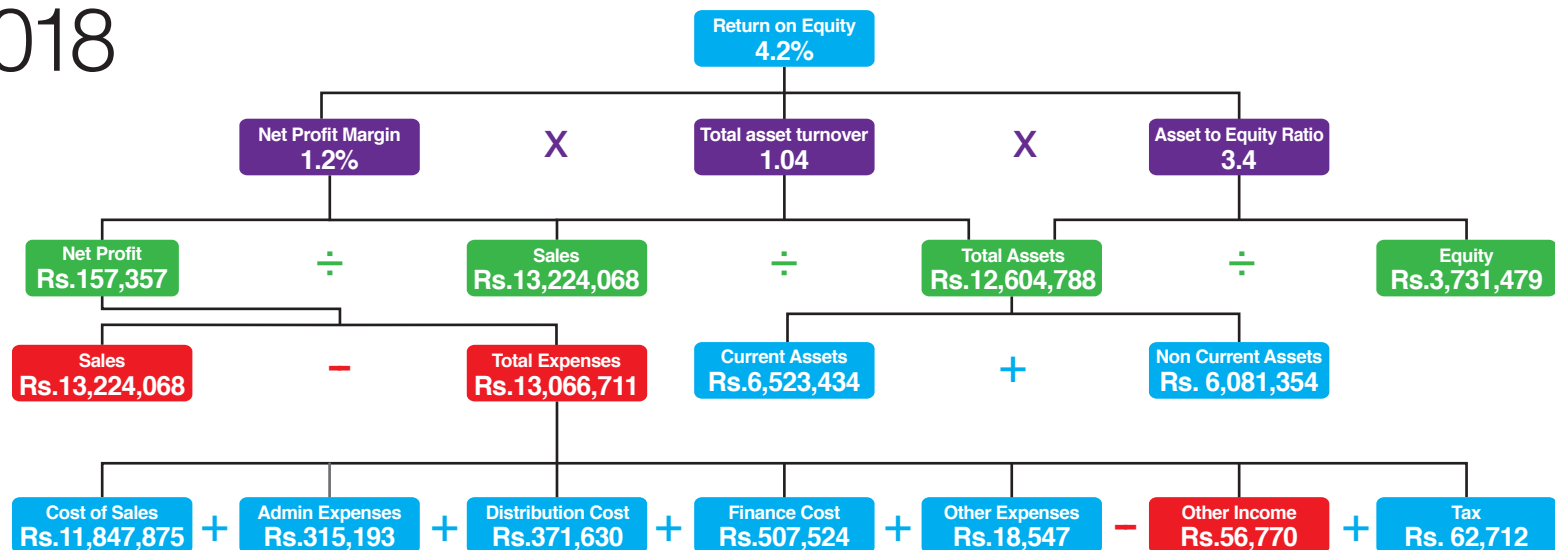
Capital Forms	Objectives	KPI Monitored
Human Capital	Employee engagement level	Employee Engagement Score (ESS)
	Training needs	Number of training man-hours
	Health and safety	Zero Lost Time Injury, number of near misses, unsafe acts etc.
Manufactured Capital	Maintain market share	Market share of BOPP and CPP
	Overall Equipment Effectiveness (OEE)	Monitoring of availability, performance and quality against benchmarks
	Focus on quality	Number of customer complaints/customer retention ratio
Intellectual Capital	Upgraded automated systems	Timely upgradation of automated systems and conversion of manual workflows to automated workflows.
	Product development and innovation	Increase in share of specialized films against commodity film volumes
Relationship Capital	Stock value	Analysis of market price with company's performance
	Customer relationship	Quality of product, OTIF delivery, number of complaints and customer feedback
	Supplier relationship	Timely payments and supplier feedback
Natural Capital	Compliance with all environmental regulations	Full compliance of all the relatable laws

DuPont Analysis

2019

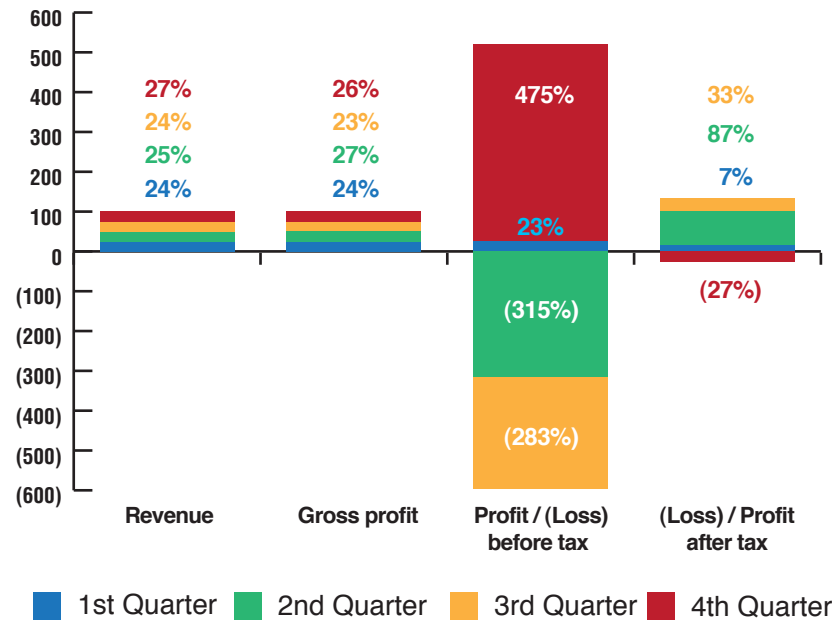


2018



Quarterly Analysis

Particulars	2019				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	Rupees in '000				
Revenue	3,540,111	3,610,878	3,471,875	4,060,403	14,683,267
Cost of sales	(3,178,991)	(3,209,589)	(3,135,546)	(3,669,317)	(13,193,443)
COS to Sales	90%	89%	90%	90%	90%
Gross profit	361,120	401,289	336,329	391,086	1,489,824
Gross Profit Margin	10%	11%	10%	10%	10%
Distribution costs	(101,165)	(118,372)	(117,082)	(125,554)	(462,173)
Administrative expenses	(76,041)	(83,657)	(88,682)	(77,665)	(326,045)
Operating Profit	183,914	199,260	130,565	187,867	701,606
Operating Profit to Sales	5%	6%	4%	5%	5%
Other income	10,149	17,340	18,295	53,997	99,781
Finance costs	(188,651)	(276,723)	(203,036)	(151,070)	(819,480)
Other expenses	(915)	(110)	0	0	(1,025)
Profit / (loss) before income tax	4,497	(60,233)	(54,176)	90,794	(19,118)
Income Tax - Net	(27,284)	(210,051)	(46,259)	(7,102)	(290,696)
(Loss) / Profit for the Period	(22,787)	(270,284)	(100,435)	83,692	(309,814)
Net (Loss) / Profit to sales	(1%)	(7%)	(3%)	2%	(2%)



Comments / Analysis

Quarter 1: Sales increased by 5% compared to Q4 2018 and was in line with higher sales volumes. Depreciation of Pak Rupee against major currencies was seen in Q1 2019, however impact of this was mitigated through decline in global raw material prices.

Taking into account the change in economic and business condition, focus was diverted towards Cost Control measures which is clearly visible through increase in operating profit of the Company. Resultantly, Company was able to report profit before tax of Rs. 4.5 million.

Quarter 2: Despite no change in sales price, overall sales for the Company increased in the quarter on the back of higher sales volume. This resulted in improvement in gross margins coupled with operational efficiencies and lower cost.

The increase in policy rate by 200 bps in Q2 coupled with higher working capital requirement resulted in higher finance cost for Q2 2019. As a result, loss before tax in Q2 2019 was of Rs 60 million. Loss after tax for the quarter was Rs 270 million. Higher tax charge was due to corporate tax being fixed at 29% for the years to come through finance Act 2019-20 which resulted in higher deferred tax charge. Discontinuation of BMR tax benefit also resulted in higher tax charge.

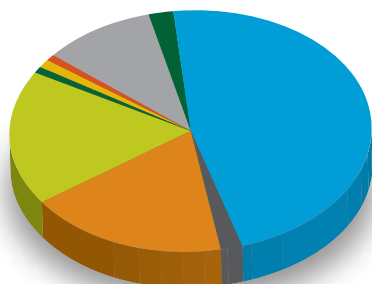
Quarter 3: This was a challenging quarter for the Company as post fiscal budget of June 2019, the market situation tightened further on account of changes in tax laws and certain requirement for unregistered customers. Resultantly, sales declined by 4% affecting the gross margins of the Company.

The hike in policy rate by 100 bps resulted in higher finance cost impact of which was mitigated through improvement in working capital as a result of change in vendor credit strategy by shifting from sight to usance LC terms. Resultantly, a loss before tax of Rs 54 million was reported in Q3.

Quarter 4: The difficulties in business and economic front forced us to realign ourselves with changing scenario through ruthless focus on efficiencies and effectiveness of production, working capital and cost management. Based on this, performance in Q4 improved with increase in sales by 17% and reduction in finance cost by 26% on account of lower debt. Resultantly, the Company reported profit before tax of Rs 91 million in Q4 2019.

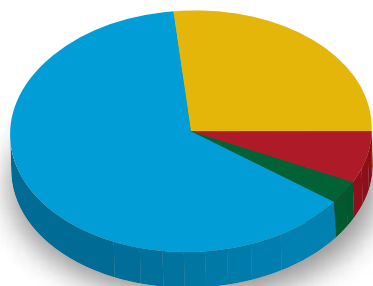
Statement of Financial Position Composition

2019



Non-Current and Current Assets

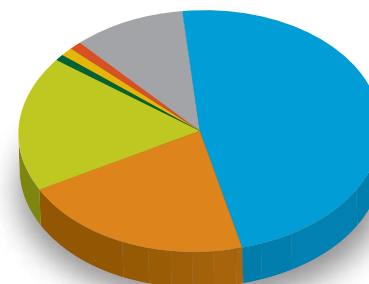
Property, plant and equipment	47%	Advances and prepayments	1%
Intangibles	0%	Other receivables	1%
Right-of-use asset	2%	Refunds due from government - sales tax	1%
Long term deposits	0%	Income tax - refundable	10%
Inventories	18%	Cash and bank balances	2%
Trade receivables - net	18%		
			100%



Equities and Liabilities

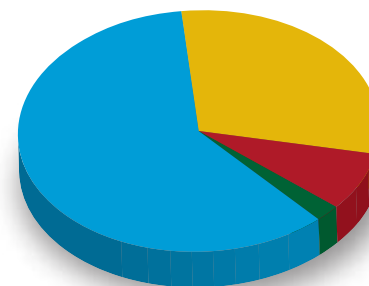
Equity & Reserves	27%
Long-term Borrowing	7%
Other Non Current Liabilities	3%
Current Liabilities	63%

2018



Non-Current and Current Assets

Property, plant and equipment	48%	Advances and prepayments	1%
Intangibles	0%	Other receivables	1%
Right-of-use asset	0%	Refunds due from government - sales tax	1%
Long term deposits	0%	Income tax - refundable	10%
Inventories	21%	Cash and bank balances	0%
Trade receivables - net	18%		
			100%



Equities and Liabilities

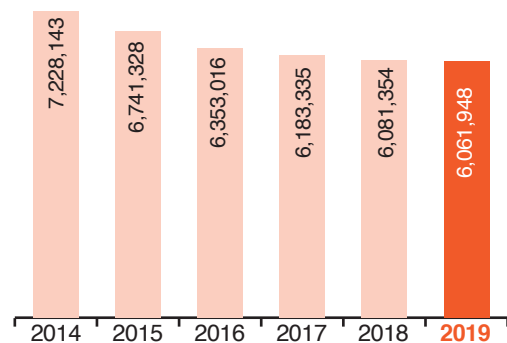
Equity & Reserves	30%
Long-term Borrowing	8%
Other Non Current Liabilities	2%
Current Liabilities	60%

Graphical Presentation

Statement of Financial Position

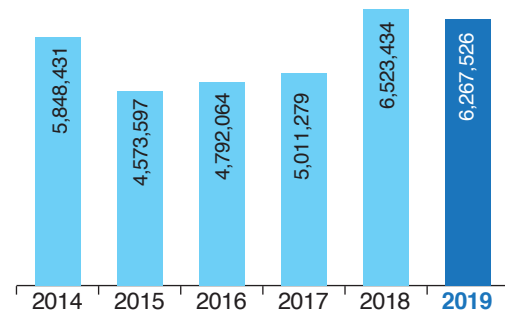
Non-Current Assets

(Rs. in thousand)



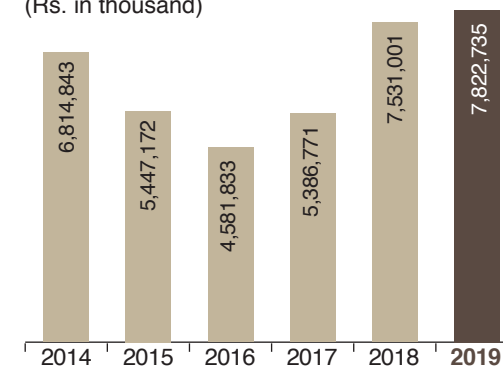
Current Assets

(Rs. in thousand)



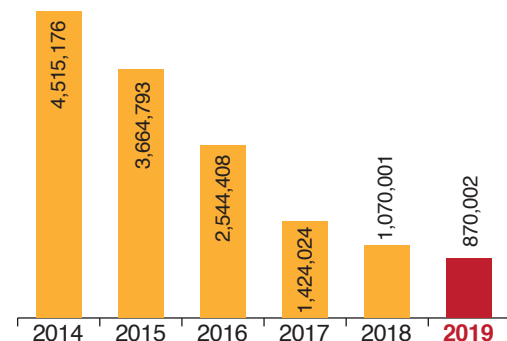
Current Liabilities

(Rs. in thousand)



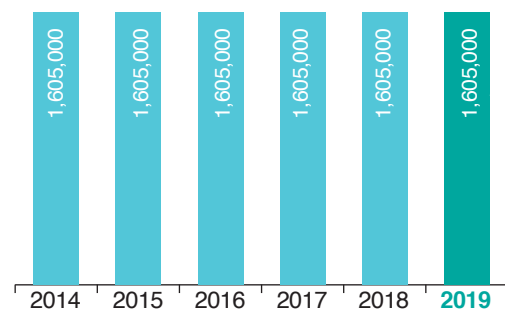
Long Term Borrowing

(Rs. in thousand)



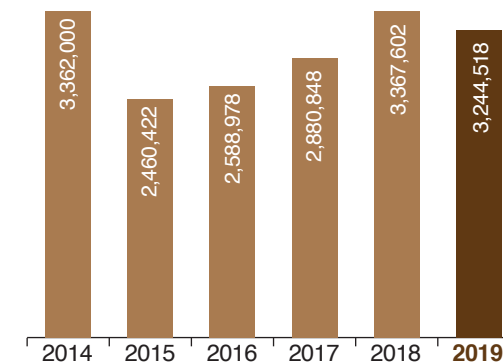
General Reserves

(Rs. in thousand)



Contribution to National Exchequer

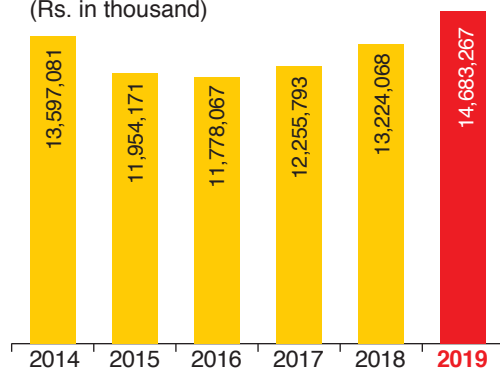
(Rs. in thousand)



Statement of Profit or Loss and Other Comprehensive Income

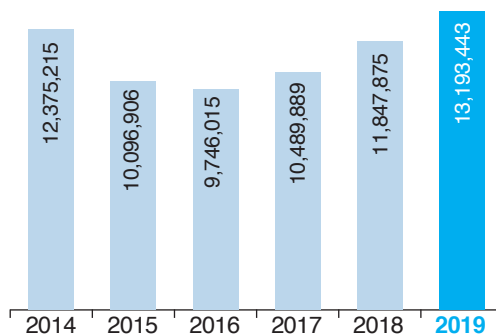
Revenue from contracts with customers

(Rs. in thousand)



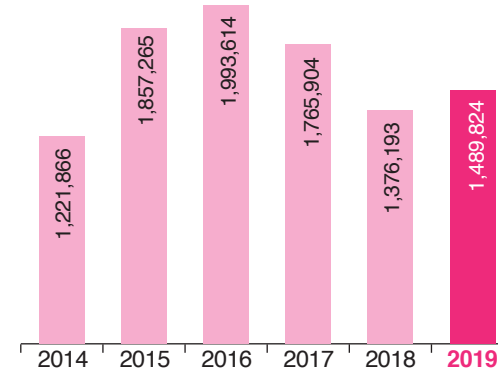
Cost of Sales

(Rs. in thousand)



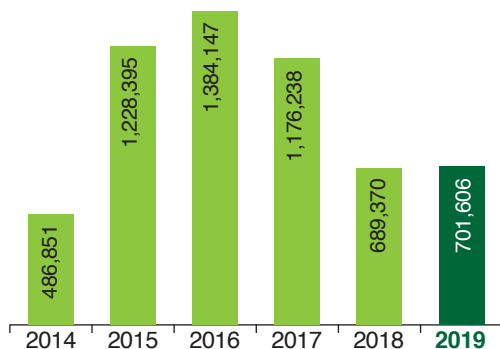
Gross Profit

(Rs. in thousand)



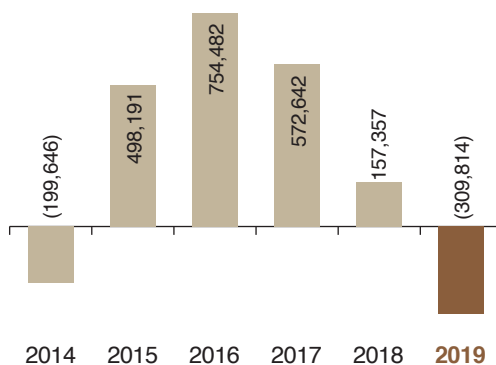
Operating Profit

(Rs. in thousand)



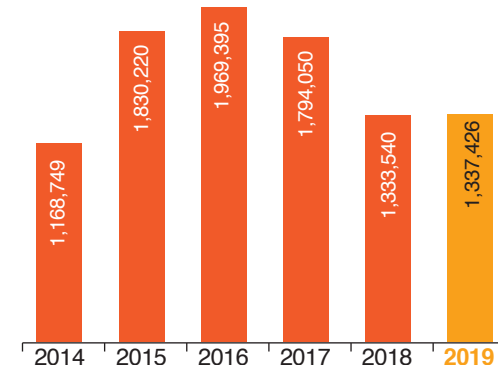
Net (Loss) / Profit

(Rs. in thousand)



EBITDA

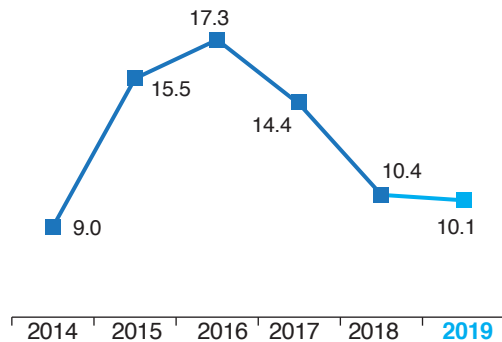
(Rs. in thousand)



Ratio Analysis

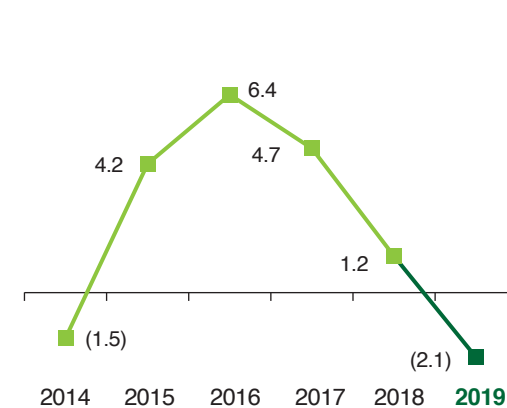
Gross Profit Margin

(In Percentage)



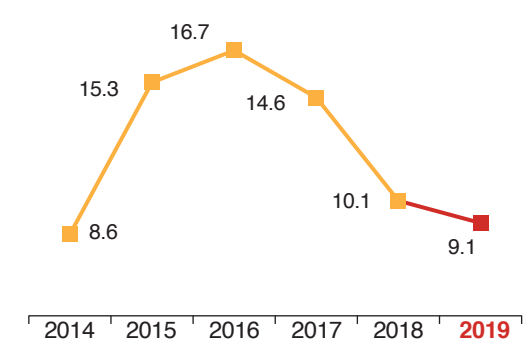
Net (Loss) / Profit Margin

(In Percentage)



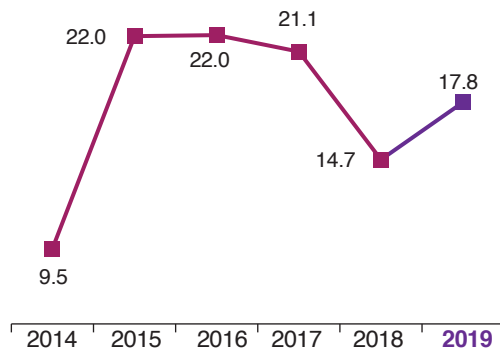
EBITDA Margin to Sales

(In Percentage)



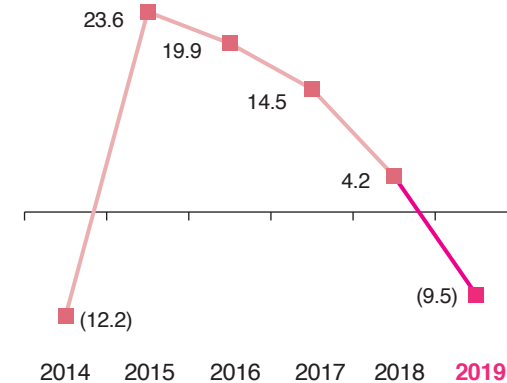
Return on Capital Employed

(In Percentage)



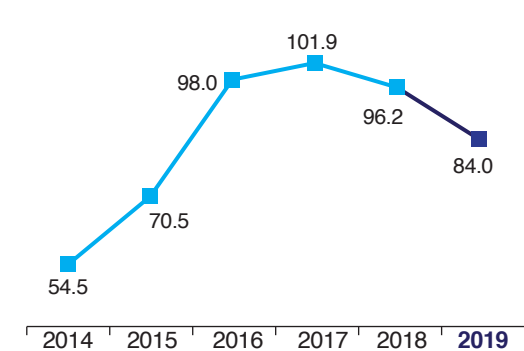
Return on Equity

(In Percentage)

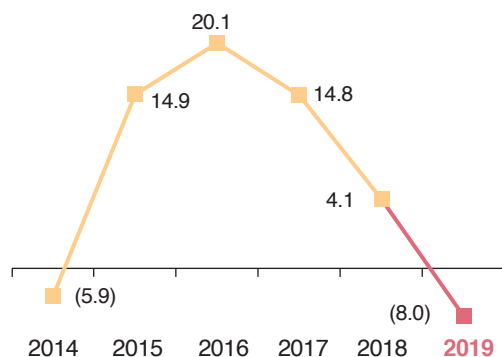


Breakup Value Per Share

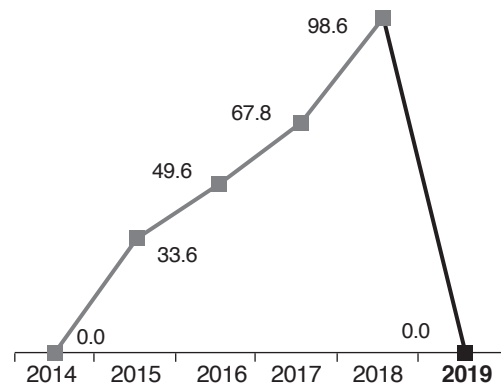
(Rupees)



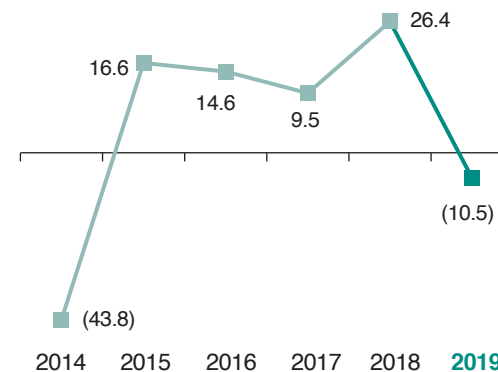
Earning / (Loss) Per Share (Rupees)



Dividend Payout (In Percentage)



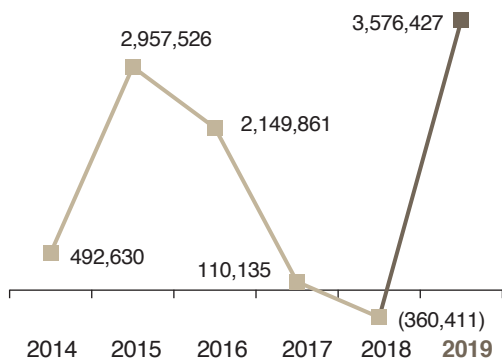
Price Earning Ratio (In Times)



Statement of Cash Flows

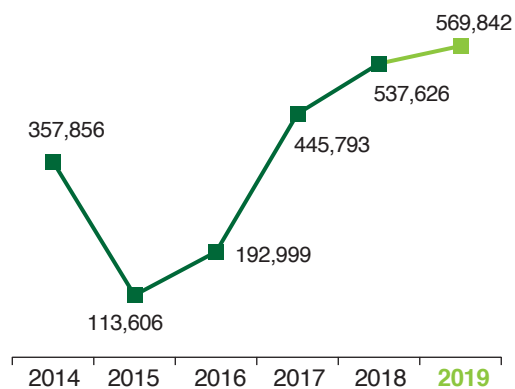
Cash Inflows / (Outflows) from Operating Activities

(Rs in Thousands)



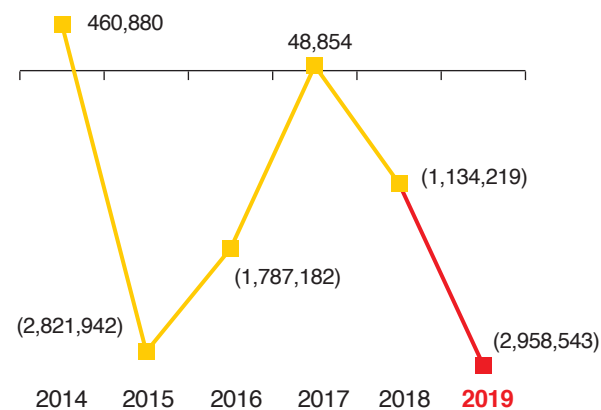
Cash Outflows from Investing Activities

(Rs in Thousands)



Cash Inflows / (Outflows) from Financing Activities

(Rs in Thousands)



Horizontal Analysis - Comments / Analysis

	2019		2018		2017		2016		2015		2014	
	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %
Statement of Financial Position												
Equity and Reserves	3,259,360	(12.7)	3,731,479	(5.6)	3,954,469	4.0	3,800,818	79.8	2,113,802	29.3	1,634,453	(9.8)
Long term borrowings	870,002	(18.7)	1,070,001	(24.9)	1,424,024	(44.0)	2,544,408	(30.6)	3,664,793	(18.8)	4,515,176	(1.3)
Other Non Current Liability	377,377	38.6	272,307	(36.6)	429,350	96.9	218,021	144.5	89,158	(20.5)	112,102	(52.3)
Current Liabilities	7,822,735	3.9	7,531,001	39.8	5,386,771	17.6	4,581,833	(15.9)	5,447,172	(20.1)	6,814,843	(3.2)
	<u>12,329,474</u>	<u>(2.2)</u>	<u>12,604,788</u>	<u>12.6</u>	<u>11,194,614</u>	<u>0.4</u>	<u>11,145,080</u>	<u>(1.5)</u>	<u>11,314,925</u>	<u>(13.5)</u>	<u>13,076,574</u>	<u>(4.3)</u>
Property Plant and Equipment	5,835,974	(3.9)	6,073,755	(1.6)	6,174,706	(2.7)	6,346,761	(5.7)	6,731,234	(6.7)	7,215,407	(4.2)
Intangibles	12,909	448.9	2,352	(45.7)	4,330	49.5	2,897	(58.5)	6,979	(16.3)	8,338	(25.3)
Right-of-Use asset	202,819	100%	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long term deposits	10,246	95.3	5,247	22.1	4,299	28.0	3,358	7.8	3,115	(29.2)	4,398	46.6
Inventories	2,206,552	(14.3)	2,575,128	38.9	1,854,103	3.6	1,788,829	8.9	1,642,767	(20.3)	2,062,331	(22.2)
Trade receivables	2,292,142	(1.4)	2,324,698	40.6	1,653,372	9.6	1,508,480	22.9	1,227,890	(19.4)	1,523,529	(14.4)
Advances and prepayments	76,804	(26.4)	104,392	6.4	98,112	(0.7)	98,761	64.5	60,024	(39.0)	98,440	(64.3)
Refunds due from government - sales tax	127,209	(16.3)	151,956	363.8	32,762	-	-	-	-	-	112,219	44.3
Other receivables	105,715	(22.2)	135,853	20.9	112,346	(5.8)	119,261	4.1	114,540	5.5	108,566	139.1
Income tax refundable	1,246,809	5.0	1,187,537	12.5	1,055,560	(4.0)	1,099,992	(4.4)	1,150,343	(7.7)	1,245,700	100.0
Cash and bank balances	212,295	383.9	43,870	(78.6)	205,024	16.0	176,741	(53.2)	378,033	(45.8)	697,646	4.7
	<u>12,329,474</u>	<u>(2.2)</u>	<u>12,604,788</u>	<u>12.6</u>	<u>11,194,614</u>	<u>0.4</u>	<u>11,145,080</u>	<u>(1.5)</u>	<u>11,314,925</u>	<u>(13.5)</u>	<u>13,076,574</u>	<u>(4.3)</u>

Long term Borrowings:

Long term borrowings is decreasing over the last five years largely due to timely repayments.

Non-Current Liability:

Change in corporate tax rate through Finance Act 2019-20 resulted in an increase in deferred tax liability.

Current Liabilities:

The declining trend of current liability till 2016 was affected by the increase in short term borrowing on account of increased working capital requirements. During the current year the increase in liability for imported goods is mostly offset by decrease in short term borrowing.

Property Plant and Equipment:

Mainly sustainability related capital expenditure.

Inventories and Trade Receivables:

Increasing trend was witnessed from 2015 due to increase in operations and volume sold coupled with rising raw material price. Decrease seen in 2019 due to declining raw material prices alongwith effective inventory management and increased focus on collection.

Refund due from government:

Mainly represent unclaimed GDs which will be claimed subsequently.

Statement of Profit or Loss and other comprehensive income

	2019		2018		2017		2016		2015		2014	
	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %	Rs '000	variance %
Revenue from contracts												
with customers	14,683,267	11.0	13,224,068	7.9	12,255,793	4.1	11,778,067	(1.5)	11,954,171	(12.1)	13,597,081	13.8
Cost of sales	13,193,443	11.4	11,847,875	13.0	10,489,889	7.2	9,784,453	(3.1)	10,096,906	(18.4)	12,375,215	14.9
Gross profit	1,489,824	8.3	1,376,193	(22.1)	1,765,904	(11.4)	1,993,614	7.3	1,857,265	52.0	1,221,866	4.0
Administration and selling expenses	788,218	14.8	686,823	16.5	589,666	(3.3)	609,467	(3.1)	628,870	(14.4)	735,015	29.8
Operating profit	701,606	1.8	689,370	(41.4)	1,176,238	(15.0)	1,384,147	12.7	1,228,395	152.3	486,851	(20.0)
Other income	99,781	75.8	56,770	21.4	46,770	(24.2)	61,705	1.7	60,675	(42.5)	105,446	119.9
Financial charges	819,480	61.5	507,524	42.9	355,197	(21.9)	454,983	(41.8)	781,916	(15.3)	923,038	50.3
Other charges	1,025	(94.5)	18,547	(67.3)	56,795	(26.4)	77,211	120.8	34,976	100.0	-	(100.0)
(Loss) / Profit before taxation	(19,118)	(108.7)	220,069	(72.9)	811,016	(11.2)	913,658	93.5	472,178	242.8	(330,741)	(1,021.3)
Provision for taxation	290,696	363.5	62,712	(73.7)	238,374	49.8	159,176	711.9	(26,013)	(80.2)	(131,095)	(1,347.7)
(Loss) / Profit after taxation	(309,814)	(296.9)	157,357	(72.5)	572,642	(24.1)	754,482	51.4	498,191	349.5	(199,646)	(886.2)

Revenue from contracts with customers: Overall sales volume reflects an upward trend. Current year volumes were at the same level as last year. However, sales price were adjusted, keeping in view the increased cost of production.

Gross Profit: Except 2017 and 2018, overall gross profit has increased over the years. Decrease in raw material prices coupled with operational efficiencies is partially offset by depreciation of Pak Rupee against major currencies, increased energy prices and supply overhang situation.

Admin and Selling expense: Increase in diesel prices and inflationary effects resulted in an increase of 15% in administrative and selling expenses.

Financial Charges: Finance cost (including exchange loss) increased mainly due to increase in SBP policy rate by 486 bps and depreciation of Pak Rupee against major currencies.

(Loss) / Profit after Taxation: Tax charge increased by Rs. 228 million mainly due to corporate being fixed at 29% for the years to come through Finance Act 2019-20 which resulted in higher deferred tax charge including discontinuation of BMR tax credit.

Vertical Analysis - Comments / Analysis

	2019		2018		2017		2016		2015		2014	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
Statement of Financial Position												
Equity and Reserves	3,259,360	26.4	3,731,479	29.6	3,954,469	35.3	3,800,818	34.1	2,113,802	18.7	1,634,453	12.5
Long term borrowings	870,002	7.1	1,070,001	8.5	1,424,024	12.1	2,544,408	22.8	3,664,793	32.4	4,515,176	34.5
Other Non Current Liability	377,377	3.1	272,307	2.2	429,350	3.8	218,021	1.9	89,158	0.8	112,102	0.9
Current Liabilities	7,822,735	63.4	7,531,001	59.8	5,386,771	48.1	4,581,833	41.1	5,447,172	48.1	6,814,843	52.1
	<u>12,329,474</u>	<u>100.0</u>	<u>12,604,788</u>	<u>100.0</u>	<u>11,194,614</u>	<u>100.0</u>	<u>11,145,080</u>	<u>100.0</u>	<u>11,314,925</u>	<u>100.0</u>	<u>13,076,574</u>	<u>100.0</u>
Property Plant and Equipment	5,835,974	47.3	6,073,755	48.2	6,174,706	55.2	6,346,761	56.9	6,731,234	59.5	7,215,407	55.2
Intangibles	12,909	0.1	2,352	0.0	4,330	0.0	2,897	0.0	6,979	0.1	8,338	0.1
Right-of-Use asset	202,819	1.6	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Long term deposits	10,246	0.1	5,247	0.0	4,299	0.0	3,358	0.0	3,115	0.0	4,398	0.0
Inventories	2,206,552	17.9	2,575,128	20.4	1,854,103	16.6	1,788,829	16.1	1,642,767	14.5	2,062,331	15.8
Trade receivables	2,292,142	18.6	2,324,698	18.4	1,653,372	14.8	1,508,480	13.5	1,227,890	10.9	1,523,529	11.7
Advances and prepayments	76,804	0.6	104,392	0.8	98,112	0.9	98,761	0.9	60,024	0.5	98,440	0.8
Refunds due from government - sales tax	127,209	1.0	151,956	1.2	32,762	0.3	-	-	-	-	112,219	0.9
Other receivables	105,715	0.9	135,853	1.1	112,346	1.0	119,261	1.1	114,540	1.0	108,566	0.8
Taxation	1,246,809	10.1	1,187,537	9.4	1,055,560	9.4	1,099,992	9.9	1,150,343	10.2	1,245,700	9.5
Cash and bank balances	212,295	1.7	43,870	0.3	205,024	1.8	176,741	1.6	378,033	3.3	697,646	5.3
	<u>12,329,474</u>	<u>100.0</u>	<u>12,604,788</u>	<u>100.0</u>	<u>11,194,614</u>	<u>100.0</u>	<u>11,145,080</u>	<u>100.0</u>	<u>11,314,925</u>	<u>100.0</u>	<u>13,076,574</u>	<u>100.0</u>

Long term Borrowings:

Debt to equity ratio shows a decline over last five years due to timely repayment of loan.

Non-Current Liability:

Change in rate of deferred tax to 29% due to corporate tax rate being fixed through Finance Act 2019-20 which resulted in an increase in deferred tax liability.

Current Liabilities:

Increase in liability for imported goods (on the back of conversion of LC terms from sight to usance) is mostly offset by decrease in short term borrowings on account of lower working capital requirements.

Inventories:

The decrease is mainly due to effective inventory management.

Trade Receivables:

The slight increase is mainly in line with higher sales prices.

	2019		2018		2017		2016		2015		2014	
	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%	Rs '000	%
Statement of Profit or Loss and other comprehensive income												
Revenue from contracts												
with customers	14,683,267	100.00	13,224,068	100.00	12,255,793	100	11,778,067	100	11,954,171	100	13,597,081	100.0
Cost of sales	13,193,443	89.9	11,847,875	89.6	10,489,889	85.6	9,784,453	83.1	10,096,906	84.5	12,375,215	91.0
Gross profit	1,489,824	10.1	1,376,193	10.4	1,765,904	14.4	1,993,614	16.9	1,857,265	15.5	1,221,866	9.0
Administration and selling expenses	788,218	5.4	686,823	5.2	589,666	4.8	609,467	5.2	628,870	5.3	735,015	5.4
Operating profit	701,606	4.8	689,370	5.2	1,176,238	9.6	1,384,147	11.8	1,228,395	10.3	486,851	3.6
Other income	99,781	0.7	56,770	0.4	46,770	0.4	61,705	0.5	60,675	0.5	105,446	0.8
Financial charges	819,480	5.6	507,524	3.8	355,197	2.9	454,983	3.9	781,916	6.5	923,038	6.8
Other charges	1,025	0.0	18,547	0.1	56,795	0.5	77,211	0.7	34,976	0.3	-	0.0
(Loss) / Profit before taxation	(19,118)	(0.1)	220,069	1.7	811,016	6.6	913,658	7.8	472,178	3.9	(330,741)	(2.4)
Provision for taxation	290,696	2.0	62,712	0.5	238,374	1.9	159,176	1.4	(26,013)	(0.2)	(131,095)	(1.0)
(Loss) / Profit after taxation	(309,814)	(2.1)	157,357	1.2	572,642	4.7	754,482	6.4	498,191	4.2	(199,646)	(1.5)

Gross Profit:

Increase in sales prices, decrease in raw material prices coupled with operational efficiencies is offset by depreciation of Pak Rupee against major currencies, increased energy prices and supply overhang situation which has resulted in slightly lower gross profit margin.

Administrative and selling expenses: Despite inflation and increase in fuel prices, these expense have not increased proportionately due to effective control over costs.

Financial Charges: Finance cost (including exchange loss) increased mainly due to increase in SBP policy rate by 486 bps and depreciation of Pak Rupee against major currencies.

(Loss) / Profit after taxation: Tax charge increased mainly due to corporate tax rate being fixed at 29% for the years to come through finance Act 2019-20 which resulted in higher deferred tax charge including discontinuation of BMR tax benefit.

Ratio Analysis - Comments / Analysis

	Year to December 31 2019	Year to December 31 2018	Year to December 31 2017	Year to December 31 2016	Year to December 31 2015	Year to December 31 2014
Profitability Ratios						
Gross profit ratio %	10.1	10.4	14.4	17.3	15.5	9.0
Net (loss) / profit to sale %	(2.1)	1.2	4.7	6.4	4.2	(1.5)
EBITDA margin to sale %	9.1	10.1	14.6	16.7	15.3	8.6
Operating leverage ratio %	0.2	(5.2)	(3.7)	(8.6)	(12.6)	(1.4)
Return on equity %	(9.5)	4.2	14.5	19.9	23.6	(12.2)
Return on capital employed %	17.8	14.7	21.1	22.0	22.0	9.5
Liquidity Ratios						
Current ratio	0.8	0.9	0.9	1.1	0.8	0.9
Quick / Acid test ratio	0.6	0.6	0.7	0.8	0.6	0.6
Cash to Current Liabilities	(0.3)	(0.3)	0.0	0.0	0.0	0.0
Cash flow from Operations to Sales	0.2	0.0	0.0	0.2	0.2	0.0
Activity / Turnover Ratios						
Inventory turnover	7.6	5.5	7.2	7.1	7.8	7.4
No. of Days in Inventory	47.9	66.0	50.6	51.7	46.8	49.5
Debtor turnover ratio	7.5	6.7	8.7	9.2	11.3	10.3
No. of Days in Receivables	48.9	54.5	42.0	39.8	32.2	35.3
Payables turnover ratio	4.8	27.3	22.9	4.6	5.1	6.3
No. of Days in payables	75.7	13.4	15.9	78.8	71.6	57.9
Total Assets turnover ratio	1.2	1.0	1.1	1.1	1.1	1.0
Total Assets to equity ratio	3.7	3.4	2.8	2.9	5.3	8.0
Fixed Assets turnover ratio	2.4	2.2	2.0	1.9	1.8	1.9
Operating Cycle	21.1	107.2	76.7	12.7	7.4	26.9
Investment / Market Ratios						
Earnings per share (EPS)	(8.0)	4.1	14.8	20.1	14.9	(5.9)
Price earning ratio	(10.5)	26.4	9.5	14.6	16.6	(43.8)
Price to Book ratio	26.5	33.0	48.5	98.7	73.1	66.9
Dividend %	0	40	100	100	50	-
Dividend Yield ratio	0.0	3.7	7.1	3.4	2.0	0.0
Dividend Payout ratio	0.0	98.6	67.8	49.6	33.6	0.0
Dividend Cover ratio	0.0	1.0	1.5	2.0	3.0	0.0
Break-up Value per share	84.0	96.2	101.9	98.0	70.5	54.5
Highest Market value per share during the year	120.1	183.2	327.0	320.0	299.0	285.0
Lowest Market value per share during the year	47.5	99.9	130.0	169.0	159.0	145.0
Market value per share	84.2	107.1	140.0	294.0	247.0	261.0

	Year to December 31 2019	Year to December 31 2018	Year to December 31 2017	Year to December 31 2016	Year to December 31 2015	Year to December 31 2014
Capital Structure Ratios						
Net assets per share	84.0	96.2	101.9	101.5	63.0	48.7
Financial Leverage ratio	1.5	1.9	1.3	1.1	3.2	5.6
Weighted average cost of debt	15.6	7.06	5.8	10.7	10.0	10.0
Debt to equity ratio	28 : 72	34 : 66	40 : 60	49 : 51	69 : 31	77 : 23
Interest coverage	1.0	1.5	3.4	3.2	1.6	0.6

Profitability Ratios

The Company has been performing profitably with a healthy gross profit to sales ratio that remained over 10% over the last six years, which is a benchmark for similar commodity industries. However, this year, the Company has faced a lot of challenges, both on economic and business fronts resulting in decline in gross profit margin.

In the year 2019, the profitability of the Company further deteriorated on account of volatile raw material prices, slow business conditions / exchange rate hike and supply overhang situation in the market coupled with the initiative taken by the new government to bring the economy back on track.

Liquidity Ratios

Focus on improvement in working capital remained a priority as the Company generated Rs 3.6 billion from operations resulting in cash flows from operations to sales ratios at 0.24 compared to negative 0.03 in 2018. The liquidity position of the Company remained in line with last year and is expected to improve with effective working capital management.

Activity/Turnover Ratios

The inventory turnover days and debtor turnover days improved compared to last year on the back of efficient inventory management and improvement in recoveries respectively. Payable turnover days shows drastic increase from last two years mainly due to conversion of LC terms from sight to usance.

Investment/Market Ratios

The investment and market ratio is directly proportionate to the profitability of the Company. These ratios worsened on account of loss incurred in 2019 due to aforementioned reasons.

Capital Structure Ratio

The debt to equity ratio has improved due to timely repayments of loans. However, interest coverage has reduced on account of lower profitability and higher markup rates compared to prior period.

Sources and Application of Funds

	2019	2018	2017	2016	2015	2014
	(Rupees in thousand)					
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash generated from operations	3,908,112	60,171	333,674	2,209,093	2,921,863	1,184,733
Payment on account of accumulated compensated absences	(7,191)	(7,741)	(11,648)	(7,427)	(2,555)	(17,588)
(Increase) / Decrease in Long-term deposits	(4,999)	(948)	(941)	(243)	1,283	(1,399)
Staff retirement benefits paid	(64,477)	(145,752)	(96,798)	(69,158)	(58,422)	(50,353)
Income taxes (paid) / received	(255,018)	(266,141)	(114,152)	17,596	95,357	(622,763)
Net cash inflow / (outflow) from operating activities	3,576,427	(360,411)	110,135	2,149,861	2,957,526	492,630
CASH FLOWS FROM INVESTING ACTIVITIES						
Fixed capital expenditure	(562,228)	(544,461)	(448,553)	(207,770)	(119,589)	(363,445)
Acquisition of intangible	(16,217)	(348)	(4,337)	(495)	(3,662)	(3,017)
Profit on bank balances received	384	708	914	264	1,095	456
Sale proceeds on disposal of property, plant and equipment	8,219	6,475	6,183	15,002	8,550	8,150
Net cash outflow from investing activities	(569,842)	(537,626)	(445,793)	(192,999)	(113,606)	(357,856)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from rights issue - net of issuance cost	-	-	-	1,087,107	-	-
Long-term borrowings paid	(854,021)	(1,224,249)	(1,016,521)	(950,385)	(761,747)	(1,225,000)
Long-term borrowings acquired	200,000	500,000	-	-	-	1,500,000
Short term borrowings (paid) / acquired	(1,414,000)	420,000	1,742,000	(1,300,000)	(1,290,735)	1,115,735
Finance cost & bank charges paid	(735,757)	(444,738)	(290,141)	(475,780)	(769,460)	(929,855)
Dividends paid	(154,765)	(385,232)	(386,484)	(148,124)	-	-
Net cash (outflow) / inflow from financing activities	(2,958,543)	(1,134,219)	48,854	(1,787,182)	(2,821,942)	460,880
Net cash inflow / (outflow)	48,042	(2,032,256)	(286,804)	169,680	21,978	595,654

Comments / Analysis

Cash Flows from Operating Activities

The Company witnessed growth from FY 2015 to FY 2017 mainly on account of improved profitability. The Company did witness significant decrease in Cash inflow in FY 2017 which was mainly as a result of discontinuation of supplier financing arrangement and conversion of usance LCs to sight terms to avoid foreign currency risk. This was further aggravated in 2018, due to increase in trade receivables and inventories, resulting in cash outflow of Rs 0.4 bn. In 2019, the Company managed to generate Rs 3.6 billion from operations mainly on account of change in foreign vendor strategy from sight to usance based on stable exchange rate from Q2 onwards. Further, improvement in working capital was witnessed as a result of effective inventory management and improved recoveries.

Cash Flows from Investing Activities

From 2014 onwards, fluctuation in cash flow from investment activities was in the normal course of business. In 2017, capital expenditure was incurred for sustenance and maintenance of machine and in 2018, due to upgrading of manufacturing line expenditure has increased. Cash outflow from investing activities further increased in 2019 mainly on account of sustainability related capital expenditure.

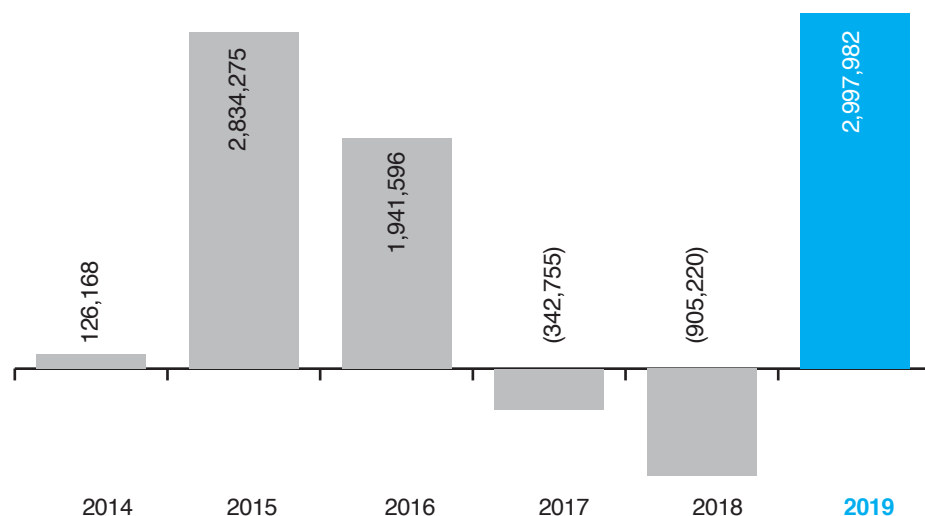
Cash Flows from Financing Activities

Cash inflow in the year 2014 was mainly on account of long-term and short-term financing obtained for the projects and working capital requirements. Further, there have been cash outflow from 2015 onwards due to repayment of short term and long term financing which was offset by cash inflows from operations. In 2016, with focus remaining on improving cash flows from operations, the Company generated Rs 1.1 billion from issuance of right issue shares. However, as a result of discontinuation of supplier financing arrangement, the Company acquired Rs 1.7 billion short-term financing facility resulting in net cash outflow of Rs 49 million from financing activities impact of which was also witnessed in 2018. During the current year, improvement in working capital resulted in repayment of short term financing thus resulting in cash inflow of Rs 3.0 billion coupled with other factors mentioned in the table above.

	2019	2018
	Rupees in million	
Cash and Cash Equivalent - Opening	(2,254)	(222)
Loan Acquired / (Paid) - net	(654)	(724)
Short Term Borrowings - net	(1,414)	420
Finance Cost and Bank Charges	(735)	(445)
Dividends	(155)	(385)
Net Cash used in Investing Activities	(570)	(538)
Cash inflow / (outflow) from Operations	3,576	(360)
Cash and Cash Equivalent - Closing	(2,206)	(2,254)

Free Cash Flows

	2019	2018	2017	2016	2015	2014
	(Rupees in thousand)					
Cash generated from operations	3,908,112	60,171	333,674	2,209,093	2,921,863	1,184,733
Payment on account of accumulated compensated absences	(7,191)	(7,741)	(11,648)	(7,427)	(2,555)	(17,588)
(Increase) / Decrease in long term deposits	(4,999)	(948)	(941)	(243)	1,283	(1,399)
Staff retirement benefits paid	(64,477)	(145,752)	(96,798)	(69,158)	(58,422)	(50,353)
Income taxes (paid) / received	(255,018)	(266,141)	(114,152)	17,596	95,357	(622,763)
	3,576,427	(360,411)	110,135	2,149,861	2,957,526	492,630
Capital expenditure	(578,445)	(544,809)	(452,890)	(208,265)	(123,251)	(366,462)
Free cash flow	2,997,982	(905,220)	(342,755)	1,941,596	2,834,275	126,168



Comments

Free cash flow (FCF) can be tremendously useful measure for understanding of true profitability of the business. It measures how much cash a company generates after accounting for capital expenditures.

This year the Company was able to generate FCF of Rs 3.0 billion which is the highest over the last six years. One of the main factor contributing towards this was better working capital.

Moreover, capital expenditure was incurred in normal operation with an objective to achieve operation efficiency through waste reduction and higher usage of recycled material.

Cash Flow - Direct Method

Cash Flows from Operating Activities

Cash received from customers
Cash paid to vendors
Net income tax paid
Net cash generated / (used in) from operating activities

Cash Flows from Investing Activities

Purchase of property, plant and equipment
Purchase of intangibles
Profit received on bank balances
Sale proceeds on disposal of property, plant and equipment
Net cash used in investing activities

Cash Flows from Financing Activities

Dividend paid
Long term borrowings paid
Long term borrowings acquired
Short term borrowings - net
Finance cost paid
Bank charges paid
Net cash used in financing activities
Net increase / (decrease) in cash and cash equivalents
Cash and cash equivalents at beginning of the year
Cash and cash equivalents at end of the year

2019	2018
Rupees in million	

16,128	14,996
(12,297)	(15,089)
(255)	(266)
3,576	(360)

(562)	(544)
(16)	(0)
0	1
8	6
(570)	(538)

(155)	(385)
(854)	(1,224)
200	500
(1,414)	420
(711)	(428)
(25)	(16)
(2,959)	(1,134)
48	(2,032)
(2,254)	(222)
(2,206)	(2,254)

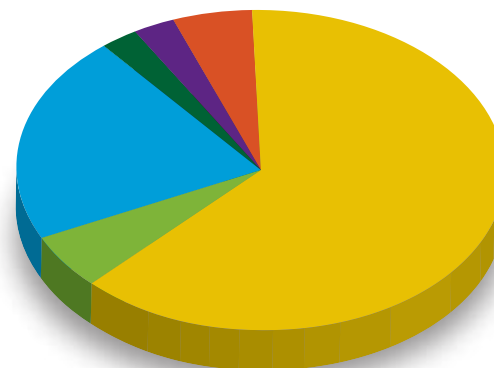
Wealth Generated & Distributed

The statement below shows value added by the operations of the Company and its distribution to the stakeholders.

	2019		2018	
	(Rs in '000)	%	(Rs in '000)	%
Wealth Generated				
Sales	17,313,537	99.4	15,994,718	99.6
Other Income	99,781	0.6	56,770	0.4
	<u>17,413,318</u>	<u>100.0</u>	<u>16,051,488</u>	<u>100.0</u>
Wealth Distributed				
Bought-in-material & services	12,224,232	70.3	10,335,775	64.4
To Employees Remuneration, benefits and facilities	869,667	5.0	902,291	5.6
To Government Income Tax, Sales Tax, Custom & Excise Duties, WPPF, WWF, EOBI, Social Security, Professional & Local Taxes	3,244,518	18.6	3,367,602	21.0
To Providers of Capital Cash dividend proposed	-	0	155,200	1.0
To Lenders Mark up & finance cost	754,975	4.3	479,204	3.0
To Society Donations	1,025	0.0	2,236	0.0
Retained for Reinvestment & Future Growth				
Unappropriated (loss) / Profit, Depreciation & Amortization	318,901	1.8	809,180	5.0
	<u>17,413,318</u>	<u>100.0</u>	<u>16,051,488</u>	<u>100.0</u>

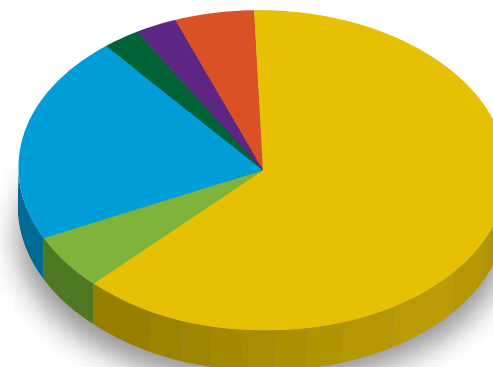
2019

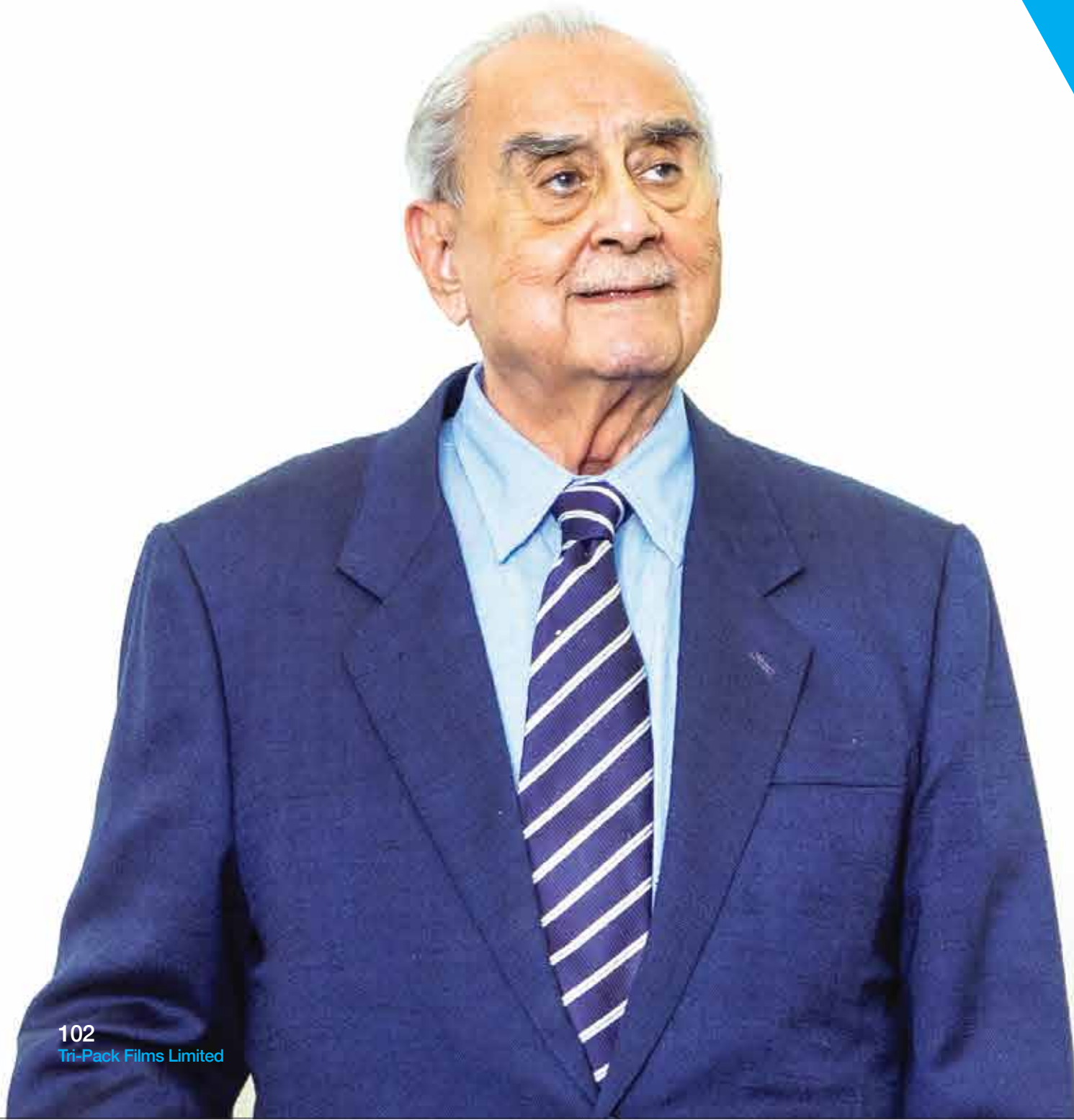
	Amount	%
	(Rs in '000)	
■ Bought-in-material & services	12,224,232	70.3
■ To Employees	869,667	5.0
■ To Government	3,244,518	18.6
■ To Shareholders	-	0
■ To Lenders	754,975	4.3
■ To Society	1,025	0.0
■ Retained for Reinvestment & Future Growth	318,901	1.8
Total	17,413,318	100.0



2018

	Amount	%
	(Rs in '000)	
■ Bought-in-material & services	10,335,775	64.3
■ To Employees	902,291	5.6
■ To Government	3,367,602	21.0
■ To Shareholders	155,200	1.0
■ To Lenders	479,204	3.0
■ To Society	2,236	0.0
■ Retained for Reinvestment & Future Growth	809,180	5.0
Total	16,051,488	100.0







Chairman's Review

For the year ended December 31, 2019

Dear Stakeholders,

I present to you the review on the financial results of Tri-Pack Films Limited for the year ended December 31, 2019.

This year remained unusually difficult for the Company on account of the economic turmoil the Country went through in 2019, detailed explanation is available in Director's Report.

The Board constantly reviews the strategic direction of the Company and ensures effectiveness in operations and for this, the Chief Executive provides reports and updates the Board on regular basis on areas such as budget, business plans, operating performance, cash flows and risk management.

Overall, the Board remains confident that the economic conditions would improve leading to much better Company's performance unlike the exceptional year 2019. The Company remained committed in achieving process improvements through technological advancements and upgradations besides and more importantly its commitment to safety, environment and health standards and regulations.

I thank all our stakeholders for trust in the Company and their persistent support.

Karachi:
February 14, 2020



Syed Babar Ali
Chairman

Chief Executive's Review

For the year ended December 31, 2019

Dear Stakeholders,

I present to you the Annual Report of your Company's performance for the year 2019.

The general slowdown of economy in the year 2019 and resultant market shrinkage is very much in the knowledge of our readers. This resulted in a decline in demand and increase in the cost of doing business on the back of exchange uncertainties, high energy cost, high interest rates and major tax law changes.

Financial performance of the Company was affected on account of the aforementioned factors in the first three quarters of the year however the last quarter saw improvement in demand with relative stability in exchange rates.

During these difficult times we took a sharp inward look focusing on the cost saving and development initiatives, as a result, our fixed cost remained flat compared to last year and we managed to commercialize few new products improving our bottom line and margins. Operational efficiencies have also been brought to the level of international benchmarks through investments and process changes.

All else being equal, these improvements shall lay the foundation for a gradual recovery in our performance in the year 2020. The Company is poised to reap benefits once the economy stabilizes and demand improves, to the levels of 2017-18.

We remain strongly committed towards compliance with safety, health and environmental standards and regulations. In addition will continue to strengthen our culture i.e. putting our customers first, acting with quality and integrity, partnering to win, taking ownership, learning & improving every step of the way, and investing on our Human Resource Development.

In closing, I would like to thank all our customers, shareholders and other stakeholders for the confidence and trust they have shown in Tri-Pack. I also thank our staff for their hard work and dedication, as we seek to boost day-to-day performance and deliver on our commitments.

The year ahead will bring its own challenges, particularly the outbreak of Corona Virus which may have consequences for the businesses in general, but I'm sure by working together, keeping ourselves focused on our priorities and putting our customers first we can realize our ambitions.

Karachi:
February 14, 2020



Nasir Jamal
Chief Executive Officer

Directors' Report to the Members

The Directors of the Company are pleased to submit the report and the audited financial statements for the year ended December 31, 2019.

The Company remained committed to compliance with the safety, health & environment (SHE) policies and procedures in everything it does.

Market and Business Overview

Prevalent business and economic conditions gave a major blow to a larger segment of domestic Industries, particularly, in the form of reduced demands, higher cost of doing business and financial cost.

For the first 9 months the Company had to face strong headwinds and the dampening effect of change in tax laws in June 2019, badly affecting demand and effective tax rates. It is estimated that Large Scale Manufacturing took a dip of 6.5% in H2 compared to same period last year and similar was the situation for the local BOPP and CPP Industry.

These difficulties in business and economic front forced us to realign ourselves with changing scenario through ruthless focus on efficiencies and effectiveness of production, working capital and cost management. This effort to certain extent paid off and is reflected through better performance in the last quarter of year where the Company generated around Rs 90m of Profit Before Tax thus reducing the operating loss till Q3 by the same amount.

Financial Highlights

Overall sales volumes remained at the same level as last year. Decline in local demand was compensated by exports but at a relatively lower margins. Due to change in exchange rates increasing the cost of import prices and local inflationary impact the domestic prices were also adjusted besides cost control, as a result, our Net Sales Income for the year was higher by 11% compared to last year.

With aggressive operational improvements involving minor investments and control over fixed cost, gross profits for the year was 8% higher compared to last year. Selling, Distribution and Administrative expenses together for the year were higher by 15% compared to last year mainly

due to higher fuel rates compared to last year. We managed to keep our cash non-financial fixed cost absolutely flat despite the inflationary pressures.

Finance cost including exchange loss for the year was higher by 61% due to increase in SBP policy rate by 486 bps. For the higher interest rates focus was enhanced towards working capital management as a result our cash inflow from operating activities stood high at Rs 3,576m compared to cash outflow of Rs 360m last year.

Loss before Tax for 2019 was Rs 19m compared to profit before tax of Rs 220m in 2018.

Tax charge for the year is Rs 291m compared to Rs 63m last year. This is due to change in tax laws where minimum tax at the rate of 1.75% on import stage is now considered as full and final discharge of tax liability for which continuous representation is being made before the relevant authorities. Further, corporate tax rate has been fixed at 29% for the years to come through Finance Act 2019-20 which resulted in higher deferred tax charge including the discontinuation of BMR tax benefit.

Consequently, loss after tax of Rs 310m has been reported compared to profit after tax of Rs 157m last year.

Key Financial Highlights are as follows:

	2019	2018
Sales Volume - (M. Tons) – Local	44,148	47,824
Sales Volume - (M. Tons) – Export	4,050	721
Net Sales Value - (Rs in Million)	14,683	13,224
Gross Profit - (Rs in Million)	1,490	1,376
Net (Loss) / Profit - (Rs in Million)	(310)	157
(LPS) / EPS - (Rs per share)	(7.98)	4.06

Dividend

The directors have recommended a cash dividend of Nil % i.e. Rs Nil per share (2018: Rs 4 per share)

Names of the members of the directors and their committees

The members of the committees of the Board are mentioned in the Company information section given on page 21 of the annual report.

Future Outlook

Though business conditions are expected to remain challenging, we expect that the market demand would come back to 2018 levels which reduced by 7% in 2019 benefitting the Company through acquiring more share of local demand and improving its bottom line.

Feedstock prices are expected to remain under pressure due to upcoming supplies and global economic slowdown. Capping of energy prices and reduction in policy rate would remain critical for industries in general.

Cash Flow Strategy

During the period under review, cash generated from operations amounted to Rs 3,576m (2018: outflow of Rs 360m) predominantly through working capital management. As a result, overall debt reduced by Rs 1,948m.

Risks and Uncertainties

The geopolitical turmoil in the Middle East, and the trade crisis between major economic powers of the world, kept the overall global economy under pressure which in turn affected the local market as well. Fluctuation in exchange rate resulted in increased cost of production. Considering the current competitive scenario in the country, the above risks were not fully passed on to customers.

Your Company is cognizant of the foreign exchange risk on account of uncertainty hovering over Pak Rupee value against major currencies and appropriate steps are being taken to minimize the impact of any depreciation in Rupee value.

A detailed Risks and Opportunities analysis covering the internal and external factors has been given on page 62 of the annual report.

Principal Activities / Major Developments / Changes in the Nature of the Business

The principal activities of the Company have been given in the annual report on page 15. There have been no significant changes in the nature of the business being conducted by the Company during the year.

Internal Financial Controls

The Company has a thorough internal controls framework in place. Detailed finance control manuals are in place, which have been prepared with the assistance of internal auditors. These manuals contain department-wise process flows, details of controls over each activity and requirements on legal and operational compliance.

The system of internal control is sound in design and has been effectively implemented and monitored. The system is continuously monitored by Internal Audit and through other such monitoring procedures. The process of monitoring internal controls will continue as an ongoing process with an objective to further strengthen the controls.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of financial statements except for the changes as stated in Notes to the Financial Statements. The accounting policies are based on reasonable and prudent judgement.

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

The financial statements are audited by the external auditors as required by the local statute.

Directors' Responsibility in Respect of Internal Financial Controls

The Board Audit Committee (BAC) has been appointed, which includes five directors including two independent directors. As per the

requirements of Code of Corporate Governance, the BAC is chaired by the independent director and its terms of reference have been determined by the Board of Directors and are in line with the guidelines provided in the Code of Corporate Governance. These terms of reference include but not limited to oversight over matters involving financial information, internal controls and corporate governance.

Material Changes Affecting the Financial Position Between the End of Financial Year and Date of Directors' Report

The material changes, if any, affecting the financial position between the end of financial year and date of directors' report are reflected in the audited annual financial statements annexed to this report.

Safety, Health and Environment

Safety, Health & Environment (SHE) remained among the top priorities of the Company. Dynamic approach adopted along with robust programs put in place to ensure compliance with external standards and requirements and that our employees perform work with high standards of safety.

We seriously take our role as a corporate citizen and take pride in our progress across these dimensions. Specific programs are implemented all across business operations, designed to meet applicable compliance elements as well as minimize the risks to the environment and communities we operate in. The applicable management systems stand on the backbone of integrated policy, standard practices and procedures, closely monitored to ensure due diligences at all times. Regular assessments of facilities, offices, warehouses are performed to provide assurance to business and stakeholders. We are committed to invest and provide all necessary resources to drive enhanced SHE performance, maintain compliance with applicable laws & regulations and drive continual improvement.

Corporate Social Responsibility

To operate more sustainably and responsibly in our business and yield greater social impact, we have aligned our environmental and social obligations with the Packages Group's commitment towards the United Nations Sustainable Development Goals (SDGs).

Improving the wellbeing of our community shall remain at the heart of all our social commitments.

We have been and always will be long-standing advocates of institutions and programs which develop and uplift social wellbeing. We have developed a strong partnership with institutions such as Indus Hospital, Pakistan Foundation Fighting Blindness, NOWPDP and the academia in Pakistan and we will continue to do so and broaden our engagements with the Community.

Furthermore, our business targets support our social commitments and too aim to advance diverse representation across the organization.

2020 and beyond, our goal is to focus on the following 04 areas in particular: SDG 03: Good Health and Well-Being; SDG 05: Gender Equality; SDG 10: Reduced Inequalities; SDG 13: Climate Action.

Management Information Systems

Our focus will remain on maximum utilization of our ERP to achieve a paperless work environment and to ensure robust internal controls. We have a dedicated team of ERP specialists who constantly strive to give out of the box solutions to all stakeholders and in turn help the Company to achieve its ambition to enhance operational efficiency and reporting accuracy.

Human Resource

2019 saw a key point of transformation in our HR Function – focused on deepening stakeholder's engagement; delivering strategically on Talent's learning & development, Diversity & Inclusion at the workplace and Industrial Relations; accelerating digital transformation and fundamentally simplifying our operations in order to generate better returns on our investments (w.r.t. Human Resources). The prime focus of all these initiatives were targeted towards achieving HR excellence and empowering our talent.

Our team has made encouraging progress on improving the consistency of our HR practices and we have already put in place actions which will deliver on our Year 2020-21 business' targets.

In addition, we are building capabilities that are critical to deliver our business strategy and future-proof our workforce by investing in our talent pipeline and engaging talent with new roles and development opportunities in the organization. A key highlight of 2019 was to build the capabilities of our leaders through the introduction of new leadership development programs “Leadership Essentials” and “Leadership Advantage”. This intervention aimed to give our leaders tangible and actionable feedback on their strengths and emphasize on developmental opportunities as post which we now continue to track the improvements & demonstration of their behaviors through feedback surveys from our people.

We are also making progress on our priority to build a diverse and inclusive workplace by enhancing & sustaining gender diversity at Tri-Pack. We want our policies and practices to reflect and strengthen our commitment to the United Nations Sustainable Development Goals (SDGs) and yield greater social impact.

And lastly, we believe that the opportunities and promise of a better digital future should be accessible to all and we are committed to ensure that no one is left behind on the journey towards the future. Through fusion of HR/ERP technology we will work to bridge any gaps that exist and uplift our people to contribute equally and fully to TPFL.

Quality Management

Quality has been the essence of our product. We ensure compliance with the requirements of all applicable quality standards through a sound system of key performance indicators (KPIs) and both on-job and external trainings.

To further improve productivity through machine efficiency and reduce process wastages, focus remained on engagements with consultants from equipment suppliers and industry experts.

Related Parties

In accordance with Section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018, the Company has:

- a. Established a policy of related party transactions which has been duly approved by the Board.
- b. Set up conditions for transactions with related parties to be characterized as “arm’s length transactions.”
- c. Circulated and disclosed to the Directors in the Board papers minimum information required for approval of related party transactions. The details of related party transactions as per fourth schedule of Companies Act 2017 have been provided in note 36 of the annexed audited financial statements.

Code of Corporate Governance

The requirements of the Code of Corporate Governance set out in the listed Companies (Code of Corporate Governance Regulation 2019) have been adopted by the Company and have been duly complied with. A Statement to this effect is annexed to the report.

Corporate and Financial Reporting Framework

- i) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ii) Proper books of account of the Company have been maintained.
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates except for the changes as stated in Notes to the Financial Statements. The accounting policies are based on reasonable and prudent judgment.
- iv) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- v) The system of internal control is sound in design and has been effectively implemented and monitored. The system is continuously monitored by Internal Audit and through other such monitoring

procedures. The process of monitoring internal controls will continue as an ongoing process with an objective to further strengthen the controls.

- vi) Details of significant changes in the Company's operating results during the current year as compared to last year and significant plans and decisions for the future prospects of profits are stated in this report.
- vii) Key operating and financial data of last six years is annexed.
- viii) Information about the taxes and levies has been given the annexed Wealth generated and distributed on page 100 of the annual report.
- ix) There are no doubts upon the Company's ability to continue as a going concern.
- x) There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
- xi) The value of investments of provident and gratuity funds, as at June 30, 2019 based on their un-audited accounts is as follows:

	Rs '000
Provident Fund	135,031
Gratuity Fund	6,491

- xii) Syed Aslam Mehdi, Mr. Kimihide Ando, Mr. Khurram Raza Bakhtayari and Mr. Yukio Hayasawa obtained the prescribed certifications under the Directors Training Program. Mr. Nasir Jamal (deemed director) have yet to obtain certification under the Directors Training Program. The remaining directors have a minimum of 14 years of education and 15 years or more experience on the boards of listed companies, and hence are exempt from the Directors Training Program.

Trading of Shares by CEO / Directors and Executives

The details of trading of shares by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit, Other Executives, their spouses and minor children are as under:

Purchase of shares	No. of shares
Director	16,400
Chief Executive Officer	NIL
Chief Financial Officer	NIL
Company Secretary	NIL
Head of Internal Audit	NIL
Other Executives	NIL
Spouses	NIL
Minor Children	NIL
Sales of shares	NIL

Board of Directors

Syed Babar Ali	(Chairman – Non Executive Director)
Syed Hyder Ali	(Non-Executive Director)
Mr. Atsushi Fujii	(Non- Executive Director)
Mr. Khurram Raza Bakhtayari	(Non-Executive Director)
Ms. Nermeen Towfiq Chinoy	(Independent Director)
Mr. Yukio Hayasawa	(Non-Executive Director)
Syed Aslam Mehdi	(Non-Executive Director)
Mr. Asif Qadir	(Independent Director)

Changes in the Composition of the Board

During the year, Mr. Kimihide Ando resigned and Mr. Atsushi Fujii was appointed in his place. The Directors wish to place on record the valuable services rendered by Mr. Kimihide Ando during his tenure as Director and welcomes Mr. Atsushi Fujii on the Board of the Company.

Composition of Board

The Board of directors of the Company consists of following eight directors:

Independent Directors	2
Non-Executive Directors	6
Executive Directors	-
Out of which 7 are male and 1 is female	

Meetings of Board of Directors

During the year 2019, seven (7) Board meetings were held and the number of meetings attended by each Director is given hereunder: -

S.No.	Name of directors	No.of meetings attended
1	Syed Babar Ali (Chairman)	4
2	Mr. Nasir Jamal (Chief Executive Officer - Deemed Director)	5
3	Mr. Asif Qadir	7
4	Syed Hyder Ali	7
5	Syed Aslam Mehdi	7
6	Mr. Khurram Raza Bakhtayari	5
7	Mr. Kimihide Ando (Resigned on April 01, 2019)	-
8	Mr. Yukio Hayasawa	5
9	Ms. Nermeen Towfiq Chinoy	5
10	Mr. Atsushi Fujii (Appointed on April 01, 2019)	4
11	Mr. Ali Raza (Alternate to Mr. Yukio Hayasawa)	1

Leave of absence was granted to the Directors who could not attend the Board meetings.

Audit Committee

An Audit Committee of the Board has been in existence since the enforcement of the Code of Corporate Governance. It comprises of four (4) Non-Executive Directors, and the Chairman who is an Independent Director.

Four (4) meetings of the Audit Committee were held during the year. Attendance of each Members is given hereunder:

S.No.	Name of directors	No.of meetings attended
1	Mr. Asif Qadir (Chairman – Independent Director)	3
2	Mr. Kimihide Ando (Resigned April 01, 2019)	-
3	Mr. Khurram Raza Bakhtayari	3
4	Ms. Nermeen Towfiq Chinoy	4
5	Mr. Yukio Hayasawa	1
6	Mr. Atsushi Fujii (Appointed on April 01, 2019)	2
7	Mr. Ali Raza (Alternate to Mr. Yukio Hayasawa)	2

Leave of absence was granted to the members who could not attend the meetings of the Audit Committee.

The Audit Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019 given on page 73 of the annual report.

Human Resource & Remuneration (HR&R) Committee

The Human Resource and Remuneration Committee comprises of three (3) Non-Executive Directors, and the Chairman who is an Independent Director.

Two (2) meetings of the Human Resource and Remuneration Committee were held during the year. Attendance of each member is given hereunder:

S.No.	Name of directors	No.of meetings attended
1	Mr. Asif Qadir (Chairman - Independent Director)	2
2	Syed Aslam Mehdi	-
3	Mr. Khurram Raza Bakhtayari	2
4	Mr. Kimihide Ando (Resigned on April 01, 2019)	-
5	Mr. Atsushi Fujii (Appointed on April 01, 2019)	-

Leave of absence was granted to the members who could not attend the meetings of the HR&R Committee.

The Human Resource and Remuneration Committee has adopted its terms of reference as provided in the Listed Companies (Code of Corporate Governance) Regulations, 2019 given on page 75 of the annual report.

Directors' Remuneration

The Company has approved the Director's Remuneration Policy. The objective of this policy is to have a transparent procedure for fixing the remuneration of the directors including remuneration for extra/technical services provided by non-executive directors. Revision in the remuneration shall, from time to time, be determined by the Board of directors upon recommendation by the Human Resource and Remuneration (HR&R) Committee. The policy as set out by the Board has been given on page 68 of the annual report.

Further, detail of aggregate amount of remuneration of executive and non-executive directors is mentioned in the Financial Statements, note 31, page 157 of the annual report.

Contribution to National Exchequer

Your Company's contribution to the national exchequer in the form of Sales Tax, Custom Duties and Income Taxes etc. is approximately Rs 3.2 billion in the year 2019.

Pattern of Shareholding

A statement of the pattern of shareholding of certain class of shareholders as at December 31, 2019, whose disclosure is required under the reporting framework, is included in the annexed shareholders' information given page 34 of the annual report.

External Auditors

The present auditors' M/s A. F. Ferguson & Co., Chartered Accountants are retiring and being eligible, offer themselves for reappointment. The Board of directors on the recommendation of the Audit Committee proposes the appointment of M/s A. F. Ferguson & Co., Chartered Accountants as the auditors until the next annual general meeting at a fee to be mutually agreed.

Chairman's Review

The Chairman's review is part of the Annual Report given on page 103 of the annual report.

Acknowledgement

We are thankful to our valued stakeholders including customers, banks, suppliers, contractors, and shareholders, for their excellent support and confidence. We also thank our employees for their focused dedication and hard work throughout this period.



Nasir Jamal
Chief Executive



Asif Qadir
Director

Dated: February 14, 2020



Financial Statements

Independent Auditors' Report



A.F.FERGUSON & CO.

INDEPENDENT AUDITOR'S REPORT

To the members of Tri-Pack Films Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of Tri-Pack Films Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and other 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 December 31, 2019 and of the loss and other comprehensive loss, 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.

A.F.FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
Tel: +92 (21) 32426682-6/32426711-5; Fax: +92 (21) 32415007/32427938/32424740; <www.pwc.com/pk>

Following is the Key audit matter:

S.No.	Key audit matter	How the matter was addressed in our audit
i.	<p>Trade Receivables (Refer note 9 to the Financial Statements)</p> <p>The Company's trade receivables as at December 31, 2019 amounts to Rs 2.29 billion. Customers of the Company comprise of registered entities under the Sales tax Act, 1990 and other unregistered parties. There are predefined system based credit limits and credit periods for various customer groups based on the credit evaluation. Credit limits are also extended on a case to case basis. Further, customers are given credit as agreed with them.</p> <p>Moreover, as at December 31, 2019 trade receivables of Rs. 864.71 million were past due but not impaired. The Company considers this amount to be fully recoverable as they are in regular contact with customers however due to current market conditions there is delay in customer repayment. Further, the Company has recorded a loss allowance for impairment of Rs. 4.92 million.</p> <p>The trade receivables' area in view of the significance of amount and estimate involved and increased credit risk is identified as higher risk and therefore we considered this a key audit matter.</p>	<p>Our audit procedures, amongst them, included the following:</p> <p>Tested the design, implementation and operating effectiveness of key controls over the receivable process, including the Company's review and approval of the credit terms and discounts.</p> <p>Obtained the system generated ageing report and checked its correctness involving our system and process assurance personnel. Also tested the controls on trade receivables and it's clearing process.</p> <p>Inspected customer confirmation obtained by company as part of their internal confirmation process.</p> <p>Reviewed the terms of credit agreed with the customers.</p> <p>Checked, on sample basis, trade receivables ageing report ensuring the due invoices are classified within the appropriate ageing bracket with underlying documentation.</p> <p>Reviewed the credit limit and period on evaluation form of various customers groups.</p> <p>Checked, on a sample basis, subsequent cash receipts from the customers relating to year end balances and their underlying documentation.</p> <p>For sales orders breaching the credit limit, reviewed approvals from authorised personnel on sample basis.</p> <p>Reviewed the history of past payments trends and credit defaults of customers in the company and ensured compliance to receivables provisioning policy.</p> <p>Confirmed customer balances on sample basis and performed alternate testing on those balances against which we have not received the balance confirmation.</p> <p>Reviewed the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards</p>

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 report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



Report on Other Legal and Regulatory Requirements

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

- (a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- (b) the statement of financial position, the statement of profit or loss and other 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) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

A. F. Ferguson & Co.
Chartered Accountants
Karachi
Date: February 23, 2020

Statement of Financial Position

As at December 31, 2019

ASSETS

NON CURRENT ASSETS

Property, plant and equipment

Right-of-use asset

Intangibles

Long term deposits

CURRENT ASSETS

Inventories

Trade receivables

Advances and prepayments

Other receivables

Refunds due from government - sales tax

Income tax refundable

Cash and bank balances

TOTAL ASSETS

Note	2019	2018
	(Rupees in thousand)	
5	5,835,974	6,073,755
6	202,819	-
7	12,909	2,352
	10,246	5,247
	6,061,948	6,081,354
8	2,206,552	2,575,128
9	2,292,142	2,324,698
10	76,804	104,392
11	105,715	135,853
	127,209	151,956
	1,246,809	1,187,537
12	212,295	43,870
	6,267,526	6,523,434
	12,329,474	12,604,788

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Share capital
Share premium
General reserve
Unappropriated profit

LIABILITIES

NON CURRENT LIABILITIES

Long term borrowings
Lease liability
Deferred taxation - net
Staff retirement benefits
Accumulated compensated absences

CURRENT LIABILITIES

Trade and other payables
Unclaimed dividend
Accrued mark-up
Short term borrowings
Lease liability
Current portion of long term borrowings

TOTAL LIABILITIES

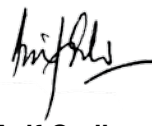
CONTINGENCIES AND COMMITMENTS

TOTAL EQUITY AND LIABILITIES

The annexed notes 1 to 40 form an integral part of these financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Acting Chief Financial Officer

Note	2019	2018
	(Rupees in thousand)	
13	388,000	388,000
	999,107	999,107
	1,605,000	1,605,000
	267,253	739,372
	<u>3,259,360</u>	<u>3,731,479</u>
14	870,002	1,070,001
	30,185	-
15	258,864	193,484
16	56,956	47,357
17	31,372	31,466
	<u>1,247,379</u>	<u>1,342,308</u>
18	3,718,282	1,705,841
	16,975	16,540
19	117,957	94,485
20	3,566,497	4,860,114
	3,025	-
14	399,999	854,021
	<u>7,822,735</u>	<u>7,531,001</u>
	<u>9,070,114</u>	<u>8,873,309</u>
21	<u>12,329,474</u>	<u>12,604,788</u>

Statement of Profit or Loss and Other Comprehensive Income

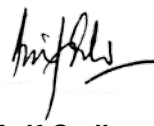
For the year ended December 31, 2019

	Note	2019	2018
		(Rupees in thousand)	
Revenue from contracts with customers	22	14,683,267	13,224,068
Cost of sales	23	(13,193,443)	(11,847,875)
Gross profit		1,489,824	1,376,193
Distribution costs	24	(462,173)	(371,630)
Administrative expenses	25	(326,045)	(315,193)
		(788,218)	(686,823)
Operating profit		701,606	689,370
Other income	26	99,781	56,770
		801,387	746,140
Other expenses	27	(1,025)	(18,547)
Finance cost	28	(819,480)	(507,524)
		(820,505)	(526,071)
(Loss) / profit before income tax		(19,118)	220,069
Income tax - net	29	(290,696)	(62,712)
(Loss) / profit for the year		(309,814)	157,357
Other comprehensive (loss) / income for the year:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of staff retirement benefits	16.3.6	(7,105)	7,653
Total comprehensive (loss) / income for the year		(316,919)	165,010
(Loss) / earnings per share - basic and diluted (Rupees)	30	(7.98)	4.06

The annexed notes 1 to 40 form an integral part of these financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Acting Chief Financial Officer

Statement of Changes in Equity

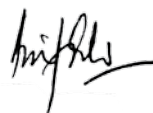
For the year ended December 31, 2019

	Issued, subscribed and paid-up share capital	Reserves			Total	
		Capital	Revenue			
		Share premium	General reserve	Unappropriated profit		Total Reserves
(Rupees in thousand)						
Balance as at January 1, 2018	388,000	999,107	1,605,000	962,362	3,566,469	3,954,469
Final cash dividend for the year ended December 31, 2017 @ Rs 10.00 per share	-	-	-	(388,000)	(388,000)	(388,000)
Total comprehensive income for the year ended December 31, 2018						
Profit for the year ended December 31, 2018	-	-	-	157,357	157,357	157,357
Other comprehensive income	-	-	-	7,653	7,653	7,653
	-	-	-	165,010	165,010	165,010
Balance as at December 31, 2018	388,000	999,107	1,605,000	739,372	3,343,479	3,731,479
Final cash dividend for the year ended December 31, 2018 @ Rs 4.00 per share	-	-	-	(155,200)	(155,200)	(155,200)
Total comprehensive loss for the year ended December 31, 2019						
Loss for the year ended December 31, 2019	-	-	-	(309,814)	(309,814)	(309,814)
Other comprehensive loss	-	-	-	(7,105)	(7,105)	(7,105)
	-	-	-	(316,919)	(316,919)	(316,919)
Balance as at December 31, 2019	388,000	999,107	1,605,000	267,253	2,871,360	3,259,360

The annexed notes 1 to 40 form an integral part of these financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Acting Chief Financial Officer

Statement of Cash Flows

For the year ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash generated from operations
Payment on account of accumulated compensated absences
Increase in long term deposits
Staff retirement benefits paid
Income taxes paid
Net cash generated from / (used in) operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Purchase of intangibles
Profit received on bank balances
Sale proceeds on disposal of property, plant and equipment
Net cash used in investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Dividend paid
Long term borrowings paid
Long term borrowing acquired
Short term borrowings - net
Finance cost paid
Bank charges paid

Net cash used in financing activities

Net increase / (decrease) in cash and cash equivalents

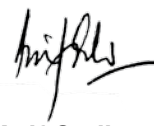
Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

The annexed notes 1 to 40 form an integral part of these financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Acting Chief Financial Officer

Note	2019	2018
	(Rupees in thousand)	
32	3,908,112	60,171
	(7,191)	(7,741)
	(4,999)	(948)
	(64,477)	(145,752)
	(255,018)	(266,141)
	<u>3,576,427</u>	<u>(360,411)</u>
	(562,228)	(544,461)
	(16,217)	(348)
	384	708
	8,219	6,475
	<u>(569,842)</u>	<u>(537,626)</u>
	(154,765)	(385,232)
	(854,021)	(1,224,249)
	200,000	500,000
	(1,414,000)	420,000
	(710,518)	(428,395)
	(25,239)	(16,343)
	<u>(2,958,543)</u>	<u>(1,134,219)</u>
	<u>48,042</u>	<u>(2,032,256)</u>
	(2,254,244)	(221,988)
33	<u>(2,206,202)</u>	<u>(2,254,244)</u>

Notes to and Forming Part of the Financial Statements

For the year ended December 31, 2019

1. THE COMPANY AND ITS OPERATIONS

Tri-Pack Films Limited (the Company) was incorporated in Pakistan on April 29, 1993 as a public limited company under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange (PSX). It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film.

The geographical locations and addresses of the Company's business units, including plants are as under:

- The registered office of the Company is situated at 4th floor, The Forum, Suite No. 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

Manufacturing plants are situated as under:

- Plot No. G-1 to G-4, D-9 to D-14, North Western Industrial Zone, Port Qasim Authority, Karachi; and
- Plot No. 78/1, Phase IV, Hattar Industrial Estate, Hattar, Khyber Pakhtunkhwa.

Regional offices are situated as under:

- Unit No 4, 17 Aziz Avenue, Canal Bank, Lahore; and
- House No. 18, Sir Abdullah Haroon Road, Near Marriott Hotel, Karachi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These financial statements have been prepared under the historical cost convention or as otherwise stated below in the respective policy notes.

2.2 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:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

2.3 Changes in accounting standards, interpretations and pronouncements

a) Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

IFRS 9 'Financial instruments' (effective for reporting periods ending on or after January 31, 2019) - This standard replaces the guidance in IAS 39 'Financial instruments: recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit loss model that replaces the current incurred loss impairment model.

IFRS 15 'Revenue from contracts with customers' (effective for reporting periods ending on or after January 31, 2019) - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition. IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

IFRS 16 'Leases' (effective for reporting periods ending on or after January 31, 2019) - IFRS 16 replaces the previous lease standard: IAS 17 'Leases'. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The impact of changes laid down by these standards are detailed in note 3.

The Securities and Exchange Commission of Pakistan (SECP) through its notification dated July 29, 2019 brought certain alterations in fourth schedule to the Act with regard to preparation and presentation of financial statements. These alterations resulted in elimination of certain disclosures in these financial statements of the Company as at December 31, 2019.

b) Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, certain amendments and interpretations that are mandatory for accounting period beginning on or after January 1, 2019 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

c) Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The new standards, certain amendments and interpretation that are mandatory for accounting period beginning on or after January 1, 2020 are considered not to be relevant for Company's financial statements and hence have not been detailed here.

2.4 Staff retirement benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans.

2.4.1 Defined contribution plan

The Company operates a recognised provident fund for all its permanent employees who have completed prescribed qualifying period of service. Equal monthly contributions are made, both by the Company and the employees, to the provident fund at the rate of ten percent of basic salary.

2.4.2 Defined benefit plan

Gratuity plan

There is an approved funded defined benefit gratuity plan for all permanent employees. Monthly contributions are made to this fund on the basis of actuarial recommendations at the rate of 8.33% per annum of basic salaries. The latest actuarial valuation for the gratuity scheme was carried out as at December 31, 2019. The actual return on plan assets represent the difference between the fair value of plan assets at the beginning and end of the year and adjusted for contributions and benefits paid.

The future contribution rates of these plans include allowances for deficit and surplus. Projected Unit Credit Method, using the following significant assumptions, is used for valuation of this scheme:

- Discount rate used for year end obligation - 11.75% (2018: 13.75%) per annum;
- Expected rate of increase in salary levels - 9.75% (2018: 11.75%) per annum; and
- Expected mortality rate SLIC (2001 - 2005) mortality table with 1 year setback.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in the statement of profit or loss and other comprehensive income.

Termination benefits

Termination benefits are payable when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

Pension plan

The defined benefit pension fund plan is managed by Packages Limited (associated undertaking) and it currently operates two different plans for its employees:

- Defined contribution plan for all permanent management employees whose date of employment is before March 15, 2018; and
- Defined benefit plan for pensioners who have retired before December 31, 2012.

Protected unit credit method, using the following significant assumption, is used for valuation of this scheme.

- Discount rate used for year end obligation - 11.25% (2018: 13.25%) per annum;
- Expected rate of increase in pension level - 0% for first year and at 3.5% thenceforth (2018: 0% for first year and at 5.5% thenceforth) per annum; and
- Expected mortality rate SLIC (2001 - 2005) mortality table with 1 year setback.

In respect of the defined benefit plan, the Company contributes 20% of members' monthly basic salary to the scheme; whereas, an employee may or may not opt to contribute 6% of his monthly basic salary to the scheme.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of the plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefit will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions for the defined benefit plan are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognized immediately in statement of profit or loss and other comprehensive income.

2.4.3 Employee compensated absences

The Company also provides for compensated absences for all eligible employees in accordance with the rules of the Company. The provision is recognised on the basis of actuarial valuation. The valuation is based on the following significant assumptions:

- Discount rate used for year end obligation - 11.75% (2018: 13.75%) per annum; and
- Expected rate of increase in salary levels - 9.75% (2018: 11.75%) per annum.

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. The unrecognised actuarial gains or losses at each valuation date are recognised in statement of profit or loss and other comprehensive income immediately.

2.5 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognised in statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

2.5.1 Current

The charge for current taxation is determined in accordance with the prevailing law for taxation on income, using prevailing tax rates after taking into account tax credits and rebates available, if any.

2.5.2 Deferred

Deferred tax is accounted for using the balance sheet liability method on all temporary differences arising between tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liability is generally recognised for all taxable temporary differences and deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax is charged to or credited in the statement of profit or loss and other comprehensive income.

Deferred income tax asset is determined using tax rates and prevailing law for taxation on income that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Investment tax credits are viewed as increase of the related asset's tax base. Accordingly, in such situation the deductible temporary difference that arises qualifies for the initial recognition exception as per IAS 12, 'Income taxes'. Therefore, no deferred tax asset is recognised instead the recognition of the total investment tax occurs as a reduction of current tax.

2.6 Provisions

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

2.7 Dividend

Dividend distribution to the Company's shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders / directors, as appropriate.

2.8 Property, plant and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for leasehold land and capital work in progress which are stated at cost. Cost of leasehold land is amortised using the straight line method over the period of lease term.

Operating fixed assets having cost exceeding the minimum threshold as determined by the management are capitalised. All other assets are charged to profit or loss and other comprehensive income in the year when acquired. Depreciation is charged to statement of profit or loss and other comprehensive income on straight line method at the following rates:

Nature of property, plant and equipment	Annual rate of depreciation (%)
- Leasehold land	1.03 to 2.22
- Buildings on leasehold land	5 to 33.33
- Plant and machinery and electrical installations	5 to 50
- Furniture and fittings	10 to 20
- Office and other equipment	5 to 50
- Vehicles	20

Depreciation on additions and deletions during the year is charged from the month when asset is put into use or up to the month immediately before the month in which the asset is disposed off, respectively.

No depreciation is charged if the asset's residual value exceeds its carrying amount.

Residual values and the useful lives are reviewed at each statement of financial position date and adjusted if expectations differ significantly from previous estimates.

Residual values are determined by the management as the amount it expects it would receive currently for an item of property, plant and equipment if it was already of the age and in the condition expected at the end of its useful life based on the prevailing market prices of similar assets already at the end of their useful lives.

Useful lives are determined by the management based on the expected usage of assets, physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of the assets and other similar factors.

Maintenance and repairs are charged to statement of profit or loss and other comprehensive income as and when incurred. Major renewals and improvements are capitalised in accordance with IAS 16, 'Property, plant and equipment' and depreciated in a manner that represents the consumption pattern and useful lives. Minor repairs and renewals are charged to statement of profit or loss and other comprehensive income.

Profit or loss on disposal of operating fixed assets are included in statement of profit or loss and other comprehensive income in the year in which it is realised.

2.9 Capital work in progress

Capital work in progress is stated at cost less any identified impairment loss and represents expenditure incurred on property, plant and equipment during the construction and installation including applicable borrowing costs. Transfers are made to relevant property, plant and equipment category as and when assets are available for use.

2.10 Intangible assets

Intangible assets are recognised when it is probable that the expected future economic benefits will flow to the Company and the cost of the

asset can be measured reliably. Cost of the intangible asset includes purchase cost and directly attributable expenses incidental to bring the asset for its intended use.

Costs associated with maintaining intangible assets are recognised as an expense as and when incurred.

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is charged over the estimated useful life of the asset on a systematic basis applying the straight line method at the rate of 33.33%.

Useful lives of intangible assets are reviewed, at each statement of financial position date and adjusted if the impact of amortisation is significant.

2.11 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amount of property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Company estimates the recoverable amount of the asset and when the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in statement of profit or loss and other comprehensive income.

At the end of each reporting period, the Company also assesses whether there is an indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of the asset and reverses the impairment loss recognized in previous period such that the increased carrying amount of the asset does not exceed the carrying amount that would have been determined (net of amortization and depreciation) had no impairment loss been recognized for the asset in prior years. Reversal of impairment loss is recognized in statement of profit or loss and other comprehensive income. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs and accordingly recognizes impairment loss or reverses the impairment loss recognized in prior periods.

Recoverable amount of an asset or cash-generating unit is the higher of its fair value less cost of disposal and its value in use.

Value in use is estimated as the present value of estimated future cash flows from the continuing use of an asset / cash generating unit and from its disposal at the end of its useful life. A pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset for which the estimates of future cash flows have not been adjusted.

2.12 Inventories

Stock in trade is valued at the lower of cost and estimated net realisable value. Cost is determined as follows:

Stages of stock in trade

Raw materials, work in process and finished goods

Raw materials in transit

Basis of valuation

Weighted average cost

Invoice value and other related charges as at statement of financial position date

Cost of work in process and finished goods comprises cost of direct materials, labour and appropriate manufacturing overheads.

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

Raw Material and stores and spares are valued at weighted average cost less allowance for obsolete and slow moving items.

Stores and spares in transit are stated at cost comprising invoice value and other related charges incurred up to the statement of financial position date.

2.13 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents also include bank overdrafts / short term borrowings that are repayable on demand or within a period of 3 months from the reporting date. Further, contractual borrowings are not part of cash and cash equivalents and are part of financing activities.

2.14 Revenue recognition

Revenue from contracts with customers is recognised at the transaction price which the Company expects to be entitled to. Revenue from sale of goods is recognised when control of goods has been transferred to the customers.

No element of financing is deemed present as the sales are made with a credit term of up to 120 days, which is consistent with the market practice.

2.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss and other comprehensive income in the period in which they are incurred.

2.16 Leases

Lease liability and Right-of-use asset

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease term are negotiated on an individual basis and contain different terms and conditions.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease liability is initially measured at the present value of the lease payments over the period lease term and that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

Lease payments include fixed payments less any lease incentive receivable, variable lease payment that are based on an index or a rate which are initially measured using the index or rate as at the commencement date, amounts expected to be payable by the Company under residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease if the lease term reflects the lessee exercising that option. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or lease modification, or to reflect revised in-substance fixed lease payment.

The lease liability is remeasured when the Company reassesses the reasonable certainty of exercising the extension or termination option upon occurrence of either a significant event or a significant change in circumstances, or when there is a change in assessment of an option to purchase underlying asset, or when there is a change in amount expected to be payable under a residual value guarantee, or when there is a change in future lease payments resulting from a change in an index or rate used to determine those payment. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss and other comprehensive income if the carrying amount of right-of-use asset has been reduced to zero.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

The right-of-use asset is initially measured at an amount equal to the initial measurement of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of the costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which the asset is located.

The right-of-use asset is subsequently measured at cost model. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Except as detailed in Note 3, the Company has elected to apply the practical expedient of not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognised as an expense on a straight line basis over the lease term.

2.17 Foreign currency transactions and translation

Foreign currency transactions are recognised or accounted for into Pakistan Rupees using the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are converted into Pakistan Rupees at the rates of exchange prevailing on the statement of financial position date. Exchange gain / loss on foreign currency translations are included in income / equity along with any related hedge effects.

2.18 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates. These financial statements are presented in Pakistan Rupees, which is the Company's functional and presentation currency.

2.19 Financial Instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Policy effective from January 1, 2019

2.19.1 Financial assets

Initial Recognition

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL). The measurement basis is determined by reference to both the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

- a) **Amortised cost** - A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as a FVTPL;
 - it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
 - the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- b) **Fair value through other comprehensive income (FVTOCI)** - A financial asset is measured at FVTOCI if it meets both of the following conditions and is not designated as a FVTPL;
 - the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- c) Fair value through profit or loss (FVTPL) - Financial assets, that are not measured at amortised cost or at fair value through other comprehensive income on initial recognition, are classified as FVTPL.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss.

Financial assets carried at FVTOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income / (loss).

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in statement of profit or loss and other comprehensive income.

Impairment of financial asset

The Company recognises lifetime expected credit losses for trade receivables that do not constitute a financing transaction. Expected credit losses (ECLs) are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between cash flows due to the entity in accordance with the contract and cash flows that the Company expects to receive). Life time ECLs are the ECLs that results from all possible defaults events over the expected life of a financial instrument. For all other financial assets, expected credit losses are measured at an amount equal to 12 months' ECLs i.e. ECLs that result from default event that are possible within 12 months after the reporting date.

2.19.2 Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are recognised initially at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of profit or loss and other comprehensive income.

2.19.3 Offsetting

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either, to settle on a net basis or, to realise the asset and settle the liability simultaneously.

2.19.4 Transaction costs

When a financial asset or financial liability is not measured at FVTPL, transaction costs that are directly attributable to the acquisition or issue are added to or deducted from the initial fair value. For financial assets, such costs are added to the amount originally recognised. For financial liabilities, such costs are deducted from the amount originally recognised. This applies to all financial instruments not carried at FVTPL, including instruments carried at FVTOCI. For debt instruments, the transaction costs are recognised as part of interest income using the effective interest method.

For financial instruments that are measured at FVTPL, transaction costs are not added to or deducted from the initial fair value, but they are immediately recognised in profit or loss on initial recognition.

Transaction costs expected to be incurred on a financial instrument's transfer or disposal are not included in the financial instrument's measurement.

Financial instruments - policy upto December 31, 2018

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be.

3. CHANGE IN ACCOUNTING POLICIES

The Company has applied the following standards for the first time for its annual reporting period commencing January 1, 2019.

i) IFRS 9 - Financial Instruments

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of IFRS 9 from January 1, 2019 by the Company has resulted in change in accounting policies.

The Company has applied IFRS 9 retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", however, it has elected not to restate comparative information as permitted under the transitional provisions of the standard. The reclassifications and the adjustments arising from the new impairment rules are, therefore, not reflected in the statement of financial position as at December 31, 2018 and furthermore have not been recognised in the opening statement of financial position as on January 1, 2019 as the effects were not material.

Furthermore, on January 1, 2019, the management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from the reclassification as at that date are as follows:

Particulars	AS AT JANUARY 1, 2019				
	Classification & measurement category		Carrying amount		
	Original (under IAS 39)	New (under IFRS 9)	Original (under IAS 39)	New (under IFRS 9)	Difference
Non-current financial assets					
Long term deposits	Loans and Receivables	Amortised Cost	5,247	5,247	-
Current financial assets					
Trade receivables	Loans and Receivables	Amortised Cost	2,324,698	2,324,698	-
Advances and prepayments	Loans and Receivables	Amortised Cost	5,042	5,042	-
Other receivables	Loans and Receivables	Amortised Cost	114,029	114,029	-
Cash and bank balances	Loans and Receivables	Amortised Cost	43,870	43,870	-
Non-current financial liabilities					
Long term borrowings	Amortised Cost	Amortised Cost	1,924,022	1,924,022	-
Current financial liabilities					
Trade and other payables	Amortised Cost	Amortised Cost	1,603,210	1,603,210	-
Accrued mark-up	Amortised Cost	Amortised Cost	94,485	94,485	-
Short term borrowings	Amortised Cost	Amortised Cost	4,860,114	4,860,114	-
Unclaimed dividend	Amortised Cost	Amortised Cost	16,540	16,540	-

No material differences were noted in prior year figures as a result of applying the new expected credit loss model on adoption of IFRS 9. The reclassifications of the financial instruments also did not result in any changes to measurements. Hence, there was no restatement of opening balances and reserves. Furthermore, there is no impact on the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

ii) IFRS 15 - Revenue from contracts with customers

The Company has adopted IFRS 15 - 'Revenue from Contracts with Customers' from January 1, 2019. IFRS 15 replaced IAS 18 - Revenue, IAS 11 - Construction Contracts and the related interpretations. According to IFRS 15, revenue is recognized, when control of goods or services has been transferred to the customers, in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. IFRS 15 establishes a five step model that will apply to revenue earned from a contract with a customer. IFRS 15 allows for two methods of adoption:

- retrospectively to each prior period presented with or without practical expedients, or
- retrospectively with cumulative effect of adoption as an adjustment to opening retained earnings in the period of adoption.

The Company has evaluated the impact of the new revenue standard and has concluded that there is no significant adjustment that needs to be given effect in the financial statements.

iii) IFRS 16 - Leases

'Effective January 1, 2019, the Company has adopted IFRS 16, 'Leases' which replaces existing guidance on accounting for leases, including IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'. IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases. The accounting policies relating to Company's right of use asset and lease liability are disclosed in note 2.16.

The Company has adopted IFRS 16 retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from adoption of IFRS 16 are therefore recognised in the opening statement of financial position on January 1, 2019. The new accounting policies are disclosed in note 2.16 to these financial statements.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 13.88% as of January 1, 2019.

On adoption of IFRS 16, the Company has recognised lease liability amounting to Rs 31.73 million as at January 1, 2019 in respect of operating lease commitments of its rental premises amounting to Rs 330.09 million.

Total lease liability recognised of which:

Current
Non-current

December 31, 2019	January 1, 2019
(Rupees in thousand)	
3,025	1,441
30,185	30,293
<u>33,210</u>	<u>31,734</u>

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at December 31, 2018.

The recognised right-of-use assets relate to the following asset:

Leasehold land

Impact on the statement of financial position

Increase in right-of-use assets
Decrease in property and equipment
Decrease in prepayments - prepaid rent
Increase in total assets

Increase in lease liability
Decrease in tax liabilities
Decrease in net assets

December 31, 2019	January 1, 2019
(Rupees in thousand)	
202,819	208,483
202,819	208,483
(170,573)	(175,377)
(1,372)	(1,441)
30,874	31,665
(33,210)	(31,734)
698	-
(1,638)	(69)
For the year ended December 31, 2019	
(Rupees in thousand)	

Impact on the statement of profit or loss and other comprehensive income

Increase in finance cost against lease liability
Increase in depreciation on right-of-use asset
Decrease in rent expense
Increase in loss before tax
Tax charge @ 29%
Increase in loss after tax

Increase in loss (after tax) per share - Rupees

(4,358)
(860)
2,812
(2,406)
698
(1,708)
(0.04)

Practical Expedients applied

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard by accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its arrangement made applying IAS 17 and interpretation for determining whether an arrangement contains a Lease.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

4.1 The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. There were no significant judgements involved in the application of Company's accounting policies. The management has made the following estimates which are significant to the financial statements:

4.2 Current and deferred income taxes

In making the estimates for income taxes payable by the Company, management considers current income tax laws and the decisions of appellate authorities on certain cases issued in the past. Where the final outcome is different from the amounts that were initially recorded, such differences will impact the income tax provision in the period in which such final outcome is determined. Deferred taxes are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

4.3 Provision for retirement and other service benefit obligations

The present value of these obligations depends on a number of factors that are determined on actuarial basis using a number of assumptions. Any changes in these assumptions will impact the carrying amount of these obligations. The present values of these obligations and the underlying assumptions are disclosed in notes 2.4 and 16.

4.4 Property, plant and equipment and intangible assets

Estimates with respect to residual values and useful lives and pattern flow of economic benefit are based on the recommendation of technical teams of the Company. Further, the Company reviews the internal and external indicators for possible impairment of assets on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment (note 5) and intangible assets (note 7) with a corresponding effect on the depreciation charge, amortisation charge and impairment.

4.5 Provisions

Provisions are based on management's best estimate. Any change in the estimates in future years might affect the carrying amounts of the provision with a corresponding affect on the profit or loss of the Company.

5. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets
Capital work in progress
Major spare parts and stand-by equipments

Note	2019	2018
	(Rupees in thousand)	
5.1	5,558,154	5,895,087
5.2	252,192	151,590
5.3	25,628	27,078
	<u>5,835,974</u>	<u>6,073,755</u>

5.1 Operating fixed assets

5.1.1 The following is the statement of operating fixed assets.

	Leasehold land	Buildings on leasehold land	Plant and machinery	Electrical installations	Furniture and fittings	Office and other equipment	Vehicles	Total
(Rupees in thousand)								
Year ended December 31, 2019								
Opening net book value	175,377	788,971	4,720,612	145,784	38,045	17,273	9,025	5,895,087
Additions	-	6,751	382,377	4,999	8,987	59,826	136	463,076
Disposals - note 5.1.5	-	-	-	-	(84)	(52)	-	(136)
Transfer to Right-of-use asset - note 6	(175,377)	-	-	-	-	-	-	(175,377)
Depreciation	-	(65,369)	(526,833)	(10,482)	(9,953)	(11,150)	(709)	(624,496)
Closing net book value	-	730,353	4,576,156	140,301	36,995	65,897	8,452	5,558,154
At December 31, 2019								
Cost	-	1,342,989	11,012,469	320,452	103,759	155,303	28,222	12,963,194
Accumulated Depreciation	-	(612,636)	(6,436,313)	(180,151)	(66,764)	(89,406)	(19,770)	(7,405,040)
Net book value	-	730,353	4,576,156	140,301	36,995	65,897	8,452	5,558,154
Year ended December 31, 2018								
Opening net book value	180,181	831,469	4,691,326	158,196	39,860	11,089	12,008	5,924,129
Additions	-	21,281	574,651	-	7,507	12,931	-	616,370
Disposals	-	-	(1,183)	-	(174)	(92)	(2,119)	(3,568)
Depreciation / amortisation charge	(4,804)	(63,779)	(544,182)	(12,412)	(9,148)	(6,655)	(864)	(641,844)
Closing net book value	175,377	788,971	4,720,612	145,784	38,045	17,273	9,025	5,895,087
At December 31, 2018								
Cost	221,187	1,339,950	10,658,806	315,453	96,238	95,762	28,086	12,755,482
Accumulated depreciation / amortisation	(45,810)	(550,979)	(5,938,194)	(169,669)	(58,193)	(78,489)	(19,061)	(6,860,395)
Net book value	175,377	788,971	4,720,612	145,784	38,045	17,273	9,025	5,895,087

5.1.2 Depreciation charge for the year has been allocated as follows:

	Note	2019	2018
		(Rupees in thousand)	
Cost of good manufactured	23.1	613,900	633,091
Distribution costs	24	861	847
Administrative expenses	25	9,735	7,906
		<u>624,496</u>	<u>641,844</u>

5.1.3 Operating fixed assets include assets having cost of Rs 4 billion (2018: Rs 3.65 billion) which were fully depreciated as at the year end.

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

Location	Usage of immovable property	Total area (In acres)
Plot No. G-1 to G-4, D-9 to D-14, North Western Industrial Zone, Port Qasim Authority, Karachi	Production & operational facility	39
Plot No. 78/1, Phase IV, Hattar Industrial Estate, Hattar, Khyber Pakhtunkhwa	Production & operational facility	12

5.1.5 The aggregate book value of assets does not exceed five million rupees.

	2019	2018
	(Rupees in thousand)	
5.2 Capital Work in Progress		
Plant and machinery	159,825	128,454
Building and civil works	16,056	15,989
Advances to suppliers and contractors	76,311	7,147
	<u>252,192</u>	<u>151,590</u>
5.3 Major spare parts and stand-by equipments		
Balance at the beginning of the year	27,078	20,094
Additions during the year	-	10,134
Transfers made during the year	(1,450)	(3,150)
Balance at the end of the year	<u>25,628</u>	<u>27,078</u>
6. RIGHT-OF-USE ASSET		
Right-of-use asset	208,483	-
Depreciation for the year	(5,664)	-
Net book value as at December 31	<u>202,819</u>	<u>-</u>

6.1 Depreciation charge for the year has been allocated to cost of sales.

7. INTANGIBLES

Computer software

At January 1

Cost	
Accumulated amortisation	
Net book value	
Additions during the year	
Amortisation for the year	
Net book value as at December 31	

At December 31

Cost	
Accumulated amortisation	
Net book value	

2019	2018
(Rupees in thousand)	
53,419	53,071
(51,067)	(48,741)
2,352	4,330
16,217	348
(5,660)	(2,326)
12,909	2,352
69,636	53,419
(56,727)	(51,067)
12,909	2,352

7.1 Amortisation charge for the year has been allocated to administrative expenses.

8. INVENTORIES

Stores and spares	
Raw materials	
In hand	
In transit	
Less: Provision for obsolescence	

Packing materials	
Work in process	
Finished goods	

8.1 Stores and spares

Stores	
Spares	
Stores and spares in transit	

Note

2019	2018
(Rupees in thousand)	
475,652	431,231
904,742	1,444,216
391,046	68,364
1,295,788	1,512,580
(21,000)	-
1,750,440	1,943,811
28,288	23,464
205,104	304,655
222,720	303,198
2,206,552	2,575,128
61,741	55,681
394,147	359,958
19,764	15,592
475,652	431,231

9. TRADE RECEIVABLES

Unsecured

Considered good

Due from related parties

Others

Considered doubtful - others

Secured

Considered good

Less: Loss allowance on doubtful receivables

Note	2019	2018
	(Rupees in thousand)	
9.1	184,615	40,712
	2,007,115	2,263,103
	<u>2,191,730</u>	<u>2,303,815</u>
9.3	66,327	61,943
	100,412	20,883
	<u>2,358,469</u>	<u>2,386,641</u>
9.3	(66,327)	(61,943)
	<u>2,292,142</u>	<u>2,324,698</u>

9.1 Represents amounts due from following related parties in the normal course of business and are interest free:

Packages Limited

Chantler Packages Inc.

2019	2018
(Rupees in thousand)	
179,366	37,802
5,249	2,910
<u>184,615</u>	<u>40,712</u>

9.2 The maximum amount receivable from any related party during the year was Rs 334.29 million (2018: Rs 439.58 million).

9.3 Loss allowance on doubtful receivables

Balance at beginning of the year

Provision for the year

Reversal during the year

Written off during the year

Balance at end of the year

Note	2019	2018
	(Rupees in thousand)	
	61,943	92,066
25	4,915	3,907
25 & 9.4	(531)	(1,192)
	-	(32,838)
	<u>66,327</u>	<u>61,943</u>

9.4 This reversal has been made because of subsequent receipt of the respective amount.

9.5 The age analysis of trade receivables past due but not impaired is as follows:

	2019	2018
	(Rupees in thousand)	
Upto 2 months	733,738	1,006,952
Over 2 - 4 months	45,177	82,152
Over 4 - 6 months	57,114	32,461
More than 6 months	28,676	7,499
	<u>864,705</u>	<u>1,129,064</u>

9.6 The age analysis of trade receivables past due but not impaired from related parties is as follows:

	2019	2018
	(Rupees in thousand)	
Upto 2 months	11,048	3,327
Over 2 - 4 months	297	8,390
Over 4 - 6 months	5,623	-
More than 6 months	10,909	-
	<u>27,877</u>	<u>11,717</u>

10. ADVANCES AND PREPAYMENTS

Considered good

Due from employees
Advances to suppliers
Advances to clearing agents
Prepaid minimum tax
Other prepayments

Note	2019	2018
	(Rupees in thousand)	
10.1	6,915	5,042
	28,127	33,189
	27,056	24,957
	-	29,570
	14,706	11,634
	<u>76,804</u>	<u>104,392</u>

10.1 These advances primarily include advance against travelling and house rent given to executives as per terms of employment. The maximum amount due at the end of any month during the year from executives was Rs 1.74 million (2018: Rs 1.24 million).

11. OTHER RECEIVABLES

Rebate recoverable against exports
Rebate receivable against purchases
Car advances to employees
Workers' profits participation fund
Others

Note	2019	2018
	(Rupees in thousand)	
	40,756	21,466
	-	66,898
11.1	35,033	41,352
11.2	12,177	358
	17,749	5,779
	<u>105,715</u>	<u>135,853</u>

- 11.1** This represents advance to employees against purchase of vehicles for a period of five years. During this tenure, the salvage value of the vehicle is recovered from an employee in equal monthly installments. In case an employee leaves earlier, the outstanding amount is recovered.

	Note	2019	2018
(Rupees in thousand)			
11.2 Workers' profits participation fund			
Receivable / (Payable) at the beginning of the year		358	(30,511)
Allocation for the year		-	(11,819)
		358	(42,330)
Payments during the year		11,819	42,688
Receivable at the end of the year		12,177	358

12. CASH AND BANK BALANCES

Cash with banks in			
Current accounts			
Local currency	12.1	37,799	30,192
Foreign currency	12.1	43,797	13,379
Mark-up bearing savings account	12.2	130,566	-
Cash in hand		133	299
		212,295	43,870

- 12.1** These bank balances are maintained under current accounts and do not carry any interest.

- 12.2** The rates of mark-up on local currency savings accounts during the year ranged from 8% to 11.25% per annum (2018: 3.75% to 8% per annum).

13. SHARE CAPITAL

Number of shares		2019	2018
(Rupees in thousand)			
Authorised			
100,000,000 Ordinary shares of Rs. 10 each		1,000,000	1,000,000

Issued, subscribed and paid-up

	2019	2018	
(Number of Shares)			
	38,800,000	38,800,000	Ordinary shares of Rs. 10 each fully paid in cash
			388,000 388,000

- 13.1** Packages Limited, Mitsubishi Corporation of Japan and IGI Insurance Limited held 12,933,333 (2018: 12,933,333), 7,499,000 (2018: 7,499,000) and 3,750,417 (2018: 3,750,417) ordinary shares of the Company respectively, as at December 31, 2019.

- 13.2** There is a shareholder agreement signed between Packages Limited and Mitsubishi Corporation which includes clauses related to voting rights, board selection, rights of first refusal and block voting.

14. LONG TERM BORROWINGS

Secured

Borrowing - 1
Borrowing - 2
Borrowing - 3
Borrowing - 4
Borrowing - 5
Borrowing - 6

Less: Current portion of long term borrowings

2019	2018
(Rupees in thousand)	
-	100,000
300,000	500,000
-	291,522
-	62,500
270,001	470,000
700,000	500,000
1,270,001	1,924,022
(399,999)	(854,021)
870,002	1,070,001

14.1 Following are the changes in the long term borrowings (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):

Balance at the beginning of the year
Acquisition during the year
Repayment during the year
Balance at the end of the year

2019	2018
(Rupees in thousand)	
1,924,022	2,648,271
200,000	500,000
(854,021)	(1,224,249)
1,270,001	1,924,022

14.2

Facility	Loan Type	Repayment terms - Principal	Mark-up		Effective Rate (%)		Facility Amount (Rs In 000)	Date of drawdown	Last Repayment date
			Payable basis	Rate (per annum)	2019	2018			
Borrowing 1	Term-loan	10 Semi-annual (Grace period : 2 years)	Semi-annualy	6 month Kibor + 0.75%	11.32%	7.38%	1,000,000	June 1, 2012	June 2019
Borrowing 2	Term-loan	10 Semi-annual (Grace period : 2 years)	Quarterly	3 month Kibor + 0.75%	12.68%	7.72%	1,000,000	April 1, 2014	April 2021
Borrowing 3	Term-loan	10 Semi-annual (Grace period : 2 years)	Quarterly	3 month Kibor + 0.45%	10.97%	7.61%	2,000,000	June 29, 2012	October 2019
Borrowing 4	Term-loan	8 Semi-annual (Grace period : 1 year)	Quarterly	3 month Kibor + 0.45%	11.00%	7.12%	500,000	February 14, 2014	March 2019
Borrowing 5	Term-loan	20 Quarterly (Grace period : 2 years)	Quarterly	3 month Kibor + 0.30%	12.27%	7.53%	1,000,000	November 8, 2013	June 2021
Borrowing 6	Term-loan	20 Quarterly (Grace period : 2 years)	Quarterly	6 month Kibor + 0.10%	11.94%	9.99%	1,000,000	November 1, 2018	November 2023

- 14.3** The above facilities have been obtained from commercial banks and are secured against first pari passu hypothecation / mortgage charges on the Company's present and future fixed assets including but not limited to land, building, plant and machinery, equipment, furniture and fixtures etc.

15. DEFERRED TAXATION - NET

	Accelerated tax depreciation	Amortisation allowance	Tax loss	Provision for accumulated compensated absences	Provision for doubtful debts	Minimum Tax	ACT (Alternative corporate Tax) 17% of Acc income	Total
	(Rupees in thousand)							
January 1, 2019	644,952	(4,196)	-	(7,657)	(15,486)	(380,326)	(43,803)	193,484
Charge / (credit) to profit or loss for the year	86,808	(200)	-	(1,069)	(3,744)	(16,415)	-	65,380
December 31, 2019	<u>731,760</u>	<u>(4,396)</u>	<u>-</u>	<u>(8,726)</u>	<u>(19,230)</u>	<u>(396,741)</u>	<u>(43,803)</u>	<u>258,864</u>
January 1, 2018	754,247	(5,674)	(21,300)	(9,824)	(28,384)	(380,326)	(43,803)	264,936
Charge / (credit) to profit or loss for the year	(109,295)	1,478	21,300	2,167	12,898	-	-	(71,452)
December 31, 2018	<u>644,952</u>	<u>(4,196)</u>	<u>-</u>	<u>(7,657)</u>	<u>(15,486)</u>	<u>(380,326)</u>	<u>(43,803)</u>	<u>193,484</u>

- 15.1** The deferred tax asset on minimum tax and alternative corporate tax will be recoverable based on the estimated future taxable income and approved business plans and budgets.

- 15.2** The Government was previously reducing tax rate gradually by 1% over the past 6 years. However, under the Finance Act, 2019, the Government has discontinued this reducing trend and kept the rate at 29%. Therefore, deferred tax assets and liabilities have been recognised accordingly using the expected applicable rate.

16. STAFF RETIREMENT BENEFITS

- 16.1** As stated in note 2.4.2 the company operates approved funded defined benefit gratuity plan for all permanent employees, defined contribution plan for all active employees and defined benefit plan for pensioners who have retired before December 31, 2012 subject to minimum service of prescribed period as per the respective trust deeds. Actuarial valuation of these plans is carried out every year and the latest actuarial valuation was carried out as at December 31, 2019.

- 16.2** Plan assets held in trust are governed by local regulations which mainly include Trust Act, 1882; the Companies Act, 2017; Income Tax Rules, 2002 and the Rules under the respective trust deeds. Responsibility for governance of the Plans, including investment decisions and contribution schedules, lies with the respective Board of Trustees. The Company appoints the trustees among its employees.

- 16.3** The latest actuarial valuations of the Plans as at December 31, 2019 were carried out using the Projected Unit Credit Method. Details of the Funds as per the actuarial valuations are as follows:

Note	2019	2018	2019	2018				
	Pension Fund		Gratuity Fund					
	(Rupees in thousand)							
16.3.1	The amounts recognised in the statement of financial position are as follows:							
	Present value of defined benefit obligation	16.3.3	55,003	60,722	141,561	113,056		
	Fair value of plan assets	16.3.4	(33,852)	(38,235)	(108,725)	(93,492)		
	Payables to Employees		-	-	2,969	5,306		
	Net liability as at December 31		21,151	22,487	35,805	24,870		
16.3.2	Net liability as at January 1				22,487	17,375	24,870	112,879
	Charge to profit or loss		2,980	1,432	15,756	20,517		
	Loss / (Gain) charged to other comprehensive income		(4,316)	3,680	11,421	(11,333)		
	Contribution by the Company		-	-	(16,241)	(97,193)		
	Net liability as at December 31		21,151	22,487	35,806	24,870		
16.3.3	The movement in the present value of defined benefit obligation is as follows:							
	Present value of defined benefit obligation as at January 1		60,722	62,178	113,056	119,888		
	Current service cost		-	-	14,364	14,696		
	Interest cost on defined benefit obligation		7,613	4,860	14,891	10,558		
	Benefits due but not paid (payables)		-	-	(2,646)	(5,306)		
	Benefits paid		(6,531)	(6,542)	(6,872)	(12,261)		
	Actuarial gains from changes in financial assumptions		(72)	(1,929)	8,371	(21,723)		
	Experience adjustments		(6,729)	2,155	397	7,204		
	Present value of defined benefit obligation as at December 31		55,003	60,722	141,561	113,056		
16.3.4	The movement in fair value of plan assets is as follows:							
	Fair value as at January 1		38,235	44,803	93,492	7,401		
	Contributions made by employer		-	-	16,241	97,193		
	Income on plan assets		4,633	3,428	13,499	4,738		
	Return on plan assets excluding interest income		(2,485)	(3,454)	(2,653)	(3,186)		
	Benefits paid		(6,531)	(6,542)	(11,854)	(12,654)		
	Fair value as at December 31		33,852	38,235	108,725	93,492		

16.3.5 The amounts recognized in the profit or loss are as follows:

Current service cost
Interest cost on defined benefit obligation
Interest income on plan assets

2019	2018	2019	2018
Pension Fund		Gratuity Fund	
(Rupees in thousand)			
-	-	14,364	14,696
7,613	4,858	14,891	10,558
(4,633)	(3,426)	(13,499)	(4,737)
2,980	1,432	15,756	20,517

16.3.6 The amounts recognized in the other comprehensive income are as follows:

Experience adjustments
Return on plan assets excluding interest income

(6,801)	226	8,768	(14,519)
2,485	3,454	2,653	3,186
(4,316)	3,680	11,421	(11,333)

16.3.7 Plan assets are comprised of as follows:

Debt
Equity
Cash

22,207	22,050	22,017	30,974
11,239	15,799	6,980	6,311
406	386	79,728	56,207
33,852	38,235	108,725	93,492

16.4 The Company ensures asset / liability matching by investing in government securities, bank deposits, mutual funds and does not use derivatives to manage its risk.

16.5 The expected return on respective plan assets has been determined by considering the expected returns available on the assets underlying the current investment policy.

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Impact on defined benefit obligation	
		Pension	Gratuity
		(Rupees in thousand)	
Discount rate	+ 100 bps	51,544	127,867
Discount rate	- 100 bps	58,912	157,435
Salary increase	+ 100 bps	58,928	157,752
Salary increase	- 100 bps	51,491	127,366

- Average expected remaining working life time of gratuity management employees is 10 years.
- Average expected remaining life time of pension management employees is 7 years.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

17. ACCUMULATED COMPENSATED ABSENCES

	Note	2019	2018
		(Rupees in thousand)	
Opening balance at the beginning of the year		31,466	34,160
Expense recognised during the year		7,097	5,047
Payments made during the year		(7,191)	(7,741)
Closing balance at the end of the year		31,372	31,466

18. TRADE AND OTHER PAYABLES

Creditors - bills payable	18.1	21,494	39,438
Accrued liabilities	18.3 & 18.4	1,538,040	1,233,427
Liability for imported goods		2,086,324	329,492
Advances from customers		39,107	49,708
Retention money		655	853
Workers' welfare fund		32,662	52,923
		3,718,282	1,705,841

18.1 Creditors include Rs 0.06 million (2018: Rs 2.31 million) payable to associated undertakings.

18.2 The maximum amount due to any related party during the year was Rs 50.57 million (2018: Rs 34.3 million).

18.3 This includes Rs 889.53 million (2018: Rs 764.45 million) in respect of Gas Infrastructure Development Cess (GIDC) which has not been paid as stay order has been obtained by the Company in the Honourable High Courts of Sindh and Peshawar against demand and collection under

GIDC Act, 2015. During the year ended December 31, 2019, the Government has announced that matter will be heard in the Supreme Court, however decision on the same is pending.

- 18.4 This includes Rs 198.98 million (2018: 143.38 million) levied through The Sindh development and maintenance of Infrastructure Cess, 2017, which superseded the previous levy under Sindh Finance Act, 1994. The said amount has not been paid as stay order has been obtained by the Company in the Honourable High Court of Sindh.

	Note	2019	2018
		(Rupees in thousand)	
19. ACCRUED MARK-UP			
On long term borrowings		17,815	39,157
On short term borrowings		100,142	55,328
		<u>117,957</u>	<u>94,485</u>
20. SHORT TERM BORROWINGS			
Secured			
Short term money market loans	20.2	1,000,000	2,562,000
Short term running finance	20.3	2,418,497	2,298,114
Export re-finance	20.4	148,000	-
		<u>3,566,497</u>	<u>4,860,114</u>
20.1	Following are the changes in the short term money market loans (i.e. for which cash flows have been classified as financing activities in the statement of cash flows):		
		2019	2018
		(Rupees in thousand)	
Balance as at January 1		2,562,000	2,142,000
Utilisation during the year		17,426,000	18,100,000
Repayment		(18,840,000)	(17,680,000)
Balance as at December 31		<u>1,148,000</u>	<u>2,562,000</u>
20.2	Short term money market loans have been arranged as a sub-limit of the running finance facility. Rate of mark-up applicable to these facilities ranges between 9.68% to 15.14% (2018: 6.16% to 10.01%) per annum. The facilities are available for the maximum period of one year from the date of agreement with the latest facility expiring on September 30, 2020.		
20.3	Short term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to September 30, 2020. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to inventories and trade debts. Rate of mark-up applicable to these facilities ranges between 10.65% to 15.56% (2018: 6.27% to 11.40%) per annum.		
20.4	Export re-finance has been obtained under mark-up arrangement from commercial bank maturity on February 22, 2020. This facility is secured by joint hypothecation by way of first floating charge over current assets including but not limited to inventories and trade debts. Rate of mark-up applicable to this facility is SBP export re-finance rate plus 1% per annum.		

- 20.5** Total short-term facilities available under mark-up arrangements aggregated Rs 6,010 million (2018: Rs 6,810 million) out of which the amount unavailed at the year end was Rs 2,444 million (2018: Rs 1,950 million). Running finance amounting to Rs Nil (2018: Rs 500 million) is sub-limit of Letter of credit.

21. CONTINGENCIES AND COMMITMENTS

Contingencies

Guarantees issued by banks on behalf of the Company

Commitments

- for purchase of raw materials and spares
- capital expenditure

- 21.1** Aggregate commitments in respect of ijarah arrangements of motor vehicles amounted to Rs 21.56 million (2018: Rs 14.37 million) payable as follows:

Not later than 1 year

Later than 1 year but not later than 5 years

More than 5 years

- 21.2** The facilities for opening of letter of credits and for guarantees as at December 31, 2019 amount to Rs 10,370 million (2018: Rs 10,620 million) and Rs 1,074 million (2018: Rs 1,080 million) respectively, of which the amount remaining unutilised was of Rs 7,213 million (2018: Rs 9,450 million) and Rs 607.59 million (2018: Rs 670.26 million) respectively.

- 21.3** In respect of tax year 2008 and 2011, the Commissioner Inland Revenue (Appeals) through appellate order dated April 30, 2015 and May 19, 2015 has disposed off the appeals of the company maintaining the disallowances on account of the taxation of tenderable gains amounting to Rs. 5.66 million and provisions for post retirement benefit funds amounting to Rs. 6.73 million (tax year 2008) and Rs. 21.27 million (tax year 2011). Further adjustment of minimum tax liability carried forward amounting to Rs. 42.93 million was disallowed. The Company has filed an appeal before the Appellate Tribunal Inland Revenue in respect of the matters maintained. The management of the Company, based on the advise of its consultants, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

- 21.4** In respect of tax year 2009, the Commissioner Inland Revenue (Appeals) through appellate order dated May 19, 2015 has disposed off the appeal in favour of the company except on maintaining the action of taxation officer on disallowance of finance cost capitalized as part of the cost of Plant and Machinery amounting to Rs. 8.47 million and interest on advance to executives and employees as loan amounting to Rs. 0.27 million. Company has filed an appeal before Appellate Tribunal Inland Revenue in respect of the issue maintained by the Commissioner (Appeals) and the management of the Company, based on the advise of its consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

2019	2018
(Rupees in thousand)	

466,415	404,745
421,119	670,881
848,761	204,800

2019	2018
(Rupees in thousand)	

6,046	5,174
15,106	9,198
411	-
21,563	14,372

- 21.5** In respect of tax year 2016, the Deputy Commissioner Inland Revenue through order dated October 31, 2018 has disallowed the deductions of unrealised exchange loss of Rs. 29.28 million, added in taxable income various provisions amounting to Rs. 316.22 million and tax gain on sale of vehicles Rs. 5.58 million. The DCIR while computing the tax liability has erroneously included workers welfare fund. Further, the tax credit under the 65-B amounting to Rs. 114 million has also been restricted. Company has filed an appeal before Commissioner Inland Revenue (Appeals) in respect of the matters mentioned. The management of the Company, based on the advise of its tax consultant, is confident that the ultimate decision in respect of the aforementioned matter shall be made in its favour.

22. REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of goods less returns:

- Local
- Less: Discounts
- Sales tax

- Export

23. COST OF SALES

- Opening stock of finished goods
- Cost of goods manufactured
- Less: Closing stock of finished goods

23.1 Cost of goods manufactured

- Opening stock of work in process
- Raw materials consumed
- Packing materials consumed
- Repairs and maintenance
- Salaries, wages and other benefits
- Fuel, power and water
- Insurance
- Vehicle running and maintenance
- Travelling
- Depreciation
- Staff training and development
- Legal and professional services
- Other expenses

- Less: Closing stock of work in process

Note	2019	2018
	(Rupees in thousand)	
	16,273,707	15,816,455
	(190,651)	(433,782)
	(2,439,619)	(2,336,868)
	13,643,437	13,045,805
	1,039,830	178,263
	14,683,267	13,224,068
	303,198	248,446
23.1	13,112,965	11,902,627
	(222,720)	(303,198)
	13,193,443	11,847,875
	304,655	314,965
23.2	10,004,332	9,090,428
23.3	373,536	321,225
23.4	336,652	327,226
23.5	611,300	630,996
	943,703	762,741
	41,020	45,619
23.6	35,048	43,382
	10,098	6,487
23.7	619,564	633,091
	7,566	4,882
	9,706	6,966
	20,889	19,274
	13,318,069	12,207,282
	(205,104)	(304,655)
	13,112,965	11,902,627

		2019	2018	
		(Rupees in thousand)		
23.2	Raw materials consumed			
	Opening stock	1,512,580	866,503	
	Purchases	9,787,540	9,736,505	
	Less: Closing stock	(1,295,788)	(1,512,580)	
		10,004,332	9,090,428	
23.3	Packing materials consumed			
	Opening stock	23,464	24,343	
	Purchases	378,360	320,346	
	Less: Closing stock	(28,288)	(23,464)	
		373,536	321,225	
23.4	This includes stores and spares consumed amounting to Rs 159.13 million(2018: Rs 126.81 million).			
23.5	This includes Rs 12.14 million (2018: Rs 11.19 million) in respect of contribution to provident fund, Rs 15.62 million (2018: Rs 27.74 million) in respect of gratuity fund, Rs 16.72 million (2018: Rs 16.43 million) in respect of pension fund, Rs 4.37 million (2018: Rs 3.28 million) in respect of compensated absences.			
23.6	This includes Rs 0.69 million (2018: Rs 2.14 million) in respect of rentals under ijarah arrangements.			
23.7	This includes depreciation amounting to Rs. 5.66 million in respect of right-of-use asset.			
24.	DISTRIBUTION COSTS	Note		
			(Rupees in thousand)	
	Salaries, wages and other benefits	24.1	68,291	78,478
	Outward freight		321,563	253,363
	Travelling		10,041	4,900
	Rent, rates and taxes		16,573	17,579
	Repairs and maintenance		2,096	2,432
	Vehicle running and maintenance	24.2	3,133	3,832
	Insurance		1,211	1,388
	Depreciation	5.1.2	861	847
	Staff training and development		2,275	416
	Legal and professional services		503	395
	Commission on export sales		20,619	-
	Other expenses		15,007	8,000
			462,173	371,630

24.1 This includes Rs 1.77 million (2018: Rs 1.99 million) in respect of contribution to provident fund, Rs 1.44 million (2018: Rs 2.02 million) in respect of gratuity fund, Rs 4.49 million (2018: Rs 4.43 million) in respect of pension fund and Rs 0.8 million (2018: Rs 0.53 million) in respect of compensated absences.

24.2 This includes Rs 0.29 million (2018: Rs 1.38 million) in respect of rentals under ijarah arrangements.

25. ADMINISTRATIVE EXPENSES

	Note	2019	2018
(Rupees in thousand)			
Salaries, wages and other benefits	25.1	190,076	192,817
Rent, rates and taxes		4,642	6,769
Printing, stationery and periodicals		6,086	4,967
Postage and telephone		4,031	5,198
Repairs and maintenance		10,911	10,688
Vehicle running and maintenance	25.2	15,634	15,174
Travelling and Entertainment		15,587	13,708
Insurance		3,801	3,211
Staff training and development		3,884	1,426
Provision for doubtful debts - net	9.3	4,384	2,715
Auditors' remuneration	25.3	6,886	6,444
Legal and professional expenses		36,100	35,079
Depreciation	5.1.2	9,735	7,906
Amortisation	7.1	5,660	2,326
Electricity, gas and water		7,178	5,563
Advertisement		1,450	1,202
		<u>326,045</u>	<u>315,193</u>

25.1 Staff retirement benefits include Rs 5.28 million (2018: Rs 5.25 million) in respect of contribution to provident fund, Rs 4.3 million (2018: Rs 6.06 million) in respect of gratuity fund, Rs 10.82 million (2018: Rs 10.72 million) in respect of pension fund and Rs 1.93 million (2018: Rs 1.24 million) in respect of compensated absences.

25.2 This includes Rs 5.25 million (2018: Rs 4.17 million) in respect of rentals under ijarah arrangements.

25.3 Auditors' remuneration

	2019	2018
(Rupees in thousand)		
Audit fee	1,981	1,887
Review of half yearly accounts, review of statement of compliance on best corporate practices, audit of employees' retirement funds and other special reviews	1,297	1,235
Tax services	3,270	3,000
Out of pocket expenses	338	322
	<u>6,886</u>	<u>6,444</u>

		Note	2019	2018
			(Rupees in thousand)	
26.	OTHER INCOME			
	Income from financial assets			
	Profit on bank balances		384	708
	Others			
	Profit on disposal of property, plant and equipment		8,083	2,907
	Sale of scrap materials		58,544	48,970
	Liabilities no longer considered payable written back	26.1	25,339	-
	Sale of raw water extracted		7,431	-
	Commission earned on insurance premium from a related party		-	4,185
			99,397	56,062
			99,781	56,770
26.1	This includes reversal of Rs. 20.04 million provision recorded in respect of Workers' Welfare Fund for tax year 2017 which has been settled with Sindh Revenue Board during the year.			
		Note	2019	2018
			(Rupees in thousand)	
27.	OTHER EXPENSES			
	Workers' profits participation fund		-	11,819
	Workers' welfare fund		-	4,492
	Donations	27.1	1,025	2,236
			1,025	18,547
27.1	During the year, donations were made to various organisations. None of the donations were made to parties where directors or their spouses are interested.			
			2019	2018
			(Rupees in thousand)	
28.	FINANCE COST			
	Amortisation of lease liability		4,358	-
	Mark-up on long term borrowings		194,879	155,931
	Mark-up on short term borrowings		534,857	306,930
	Bank and other charges		25,239	16,343
	Exchange loss		60,147	28,320
			819,480	507,524

	Note	2019	2018
(Rupees in thousand)			
29. INCOME TAX - NET			
Current	29.3	197,090	126,749
Deferred		65,380	(71,452)
Prior	29.4	28,226	7,415
		<u>290,696</u>	<u>62,712</u>
29.1 Tax reconciliation			
(Loss) / profit before income tax		<u>(19,118)</u>	<u>220,069</u>
Tax @ 29% (2018: 29%)		(5,544)	63,820
Effect of			
- Minimum tax	29.2	174,605	86,108
- Final tax regime		3,891	971
- Tax credit	29.3	(19,119)	(57,591)
- Income not subject to tax		(7,416)	(2,428)
- Inadmissible expenses		50,673	36,603
- Effect of super tax		-	23,494
- Rate change impact - deferred tax		98,818	(114,845)
- Deferred tax on permanent differences		(33,438)	43,397
- Prior year charge / (reversal)	29.4	28,226	(16,079)
- Others		-	(738)
		<u>290,696</u>	<u>62,712</u>
Effective tax rate		<u>(1,520.5)%</u>	<u>28.5.%</u>
29.2	During the year, Company had an impact of minimum tax at the rate of 1.75% under Section 148 (8) (d) of the Income tax Ordinance, 2001 (the Ordinance) on import of plastic raw material amounting to Rs 189.4 million.		
29.3	The investment tax credit amounting to Rs 19.1 million (2018: Rs 57.6 million) available to the Company by virtue of investment in plant and machinery in accordance with section 65B of the Income Tax Ordinance, 2001 has been netted off against the current tax charge for the year.		
29.4	This includes prior year charge amounting to Rs. 28.23 million due to change in rate of tax credit allowed from 10% to 5% under the Finance Act 2019 in accordance with section 65B of the Income Tax Ordinance 2001.		

30. (LOSS) / EARNINGS PER SHARE - basic and diluted

(Loss) / profit for the year attributable to ordinary shareholders

Weighted average number of ordinary shares
outstanding during the year - note 30.1

Basic and diluted (loss) / earnings per share

2019	2018
(Rupees in thousand)	
(309,814)	157,357
Number of shares (in thousand)	
38,800	38,800
(Rupees)	
(7.98)	4.06

30.1 There were no convertible dilutive potential ordinary shares outstanding as at December 31, 2019 and 2018.

31. REMUNERATION OF THE CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Note	2019		2018	
		Chief Executive	Executives	Chief Executive	Executives
		(Rupees in thousand)			
Managerial remuneration	31.1	15,018	52,945	15,018	57,810
Staff retirement benefits		5,757	18,987	5,757	20,777
Housing		7,509	33,565	7,509	37,118
Utilities		1,502	5,281	1,502	5,765
Leave fare assistance		1,252	4,401	1,252	4,804
Medical expenses		70	3,527	52	2,436
Other allowances and benefits		4,812	31,501	4,812	34,713
		35,920	150,207	35,902	163,423
Number of persons		1	25	1	33

31.1 Staff retirement benefits includes amount contributed towards various retirement benefit plans.

31.2 The Chief Executive and other executives are also provided with free use of Company's maintained cars or equivalent monetization, residential telephone reimbursement and other benefits.

31.3 Remuneration to non-executive director

Aggregate amount charged in these financial statements for meetings fee to Two (2018: One) non-executive director was Rs 0.55 million (2018: Rs 0.23 million).

32. CASH GENERATED FROM OPERATIONS

(Loss) / profit before income tax

Adjustments for non-cash charges and other items:

Depreciation
Amortisation expense
Finance cost
Exchange gain - unrealised
Profit on bank balances
Provision for accumulated compensated absences
Provision for staff retirement benefits
Gain on disposal of property, plant and equipment
Working capital changes

Note	2019	2018
	(Rupees in thousand)	
	(19,118)	220,069
	630,160	641,844
	5,660	2,326
	759,333	479,204
	(13,344)	(11,357)
	(384)	(708)
	7,097	5,047
	66,971	70,508
	(8,083)	(2,907)
32.1	2,479,820	(1,343,855)
	3,927,230	(159,898)
	3,908,112	60,171

32.1 Working capital changes

increase / (decrease) in current assets:

Inventories
Trade receivables
Advances and prepayments
Refunds due from government - sales tax
Other receivables

Increase in trade and other payables

368,576	(721,025)
32,556	(671,326)
(1,982)	(6,280)
24,747	(119,194)
30,138	(23,507)
454,035	(1,541,332)
2,025,785	197,477
2,479,820	(1,343,855)

33. CASH AND CASH EQUIVALENTS

Short term running finance
Cash and bank balances

20.3	(2,418,497)	(2,298,114)
12	212,295	43,870
	(2,206,202)	(2,254,244)

34. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

Long term deposits
Trade receivables
Advances and prepayments
Other receivables
Cash and bank balances

	Interest / Mark-up bearing			Non-interest / mark-up bearing			Total
	Maturity up to one year	Maturity after one year	Total	Maturity up to one year	Maturity after one year	Total	
(Rupees in thousand)							
	-	-	-	-	10,246	10,246	10,246
	-	-	-	2,292,142	-	2,292,142	2,292,142
	-	-	-	6,915	-	6,915	6,915
	-	-	-	52,782	-	52,782	52,782
	130,566	-	130,566	81,729	-	81,729	212,295
2019	130,566	-	130,566	2,433,568	10,246	2,443,814	2,574,380
2018	-	-	-	2,487,639	5,247	2,492,886	2,492,886

FINANCIAL LIABILITIES

Long term borrowings
Trade and other payables
Accrued mark-up
Short term borrowings
Unclaimed dividend

	399,999	870,002	1,270,001	-	-	-	1,270,001
	-	-	-	3,646,513	-	3,646,513	3,646,513
	-	-	-	117,957	-	117,957	117,957
	3,566,497	-	3,566,497	-	-	-	3,566,497
	-	-	-	16,975	-	16,975	16,975
2019	3,966,496	870,002	4,836,498	3,781,445	-	3,781,445	8,617,943
2018	5,930,115	854,021	6,784,136	1,714,235	-	1,714,235	8,498,371

35. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk, currency risk and price risk), credit risk and liquidity risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Risk managed and measured by the Company are explained below:

35.1 Market risk

35.1.1 Interest rate risk

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

The Company's interest rate risk arises from borrowings which include long term borrowings (note 14), short term borrowings (note 20) and cash with bank in mark-up bearing savings account (note 12).

At December 31, 2019, if interest rates on borrowings had been 50 basis points higher / lower with all other variables held constant, loss after taxation for the year would have been as follows:

	2019		2018	
	At higher interest rate	At lower interest rate	At higher interest rate	At lower interest rate
	(Rupees in thousand)			
Finance cost	23,443	(23,443)	(33,920)	33,920
Taxation	(6,798)	6,798	9,837	(9,837)
Net impact on loss after taxation	16,645	(16,645)	(24,083)	24,083

35.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in foreign exchange rates.

Currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies. The Company primarily has foreign currency exposures in EUR, GBP, USD and JPY cash and cash equivalents, deposits with banks (note 12), trade receivables (note 9) in respect of export sales and trade and other payables (note 18) in respect of import of raw materials, stores and spares and plant and machinery. Since the Company's pricing mechanism is mainly linked to cost of raw materials, therefore, the effects, if any, of any adverse movement in exchange rates in above currencies can be passed on to the customers to some extent through increase in prices of its finished goods.

At December 31, 2019, if the Company's functional currency had weakened / strengthened by 5% against above currencies with all other variables held constant, loss for the year would have been lower / higher by Rs 78.36 million (2018: Rs 7.37 million), mainly as a result of foreign exchange losses / gains on translation of financial assets and liabilities denominated in foreign currencies.

35.1.3 Price risk

Price risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency 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 has no investments as at December 31, 2019 (2018: Nil).

35.2 Concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counterparties failed to perform as contracted. The maximum exposure to credit risk is equal to the carrying amount of financial assets amounting to Rs. 2,574 million (2018: Rs. 2,490 million).

The carrying amounts of financial assets which are neither past due nor impaired are as under:

	2019	2018
	(Rupees in thousand)	
Long term deposits	10,246	5,247
Trade receivables	1,427,437	1,195,634
Advances and prepayments	6,915	5,042
Other receivables	52,782	114,029
Cash and bank balances	212,295	43,870
	<u>1,709,675</u>	<u>1,363,822</u>

Total bank balance of Rs 212.16 million (2018: Rs 43.57 million) has been placed with banks which have a short term credit rating of at least A-1.

A significant component of the receivable balances of the Company relates to amounts due from the local customers. Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by those counter parties on their obligations to the Company. The management continuously monitors the credit exposure towards the customers and makes provision against those balances considered doubtful of recovery.

The Company does not hold any collateral against these assets other than receivable from foreign customers which are secured by way of letter of credits.

35.3 Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulties in meeting obligations associated with financial liabilities. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The management believes that it will be able to fulfill its financial obligations.

Financial liabilities in accordance with their contractual maturities are presented below:

	Contractual cash flows	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years
	(Rupees in thousand)			
Long term borrowings	1,270,001	399,999	170,002	700,000
Accrued mark-up	117,957	117,957	-	-
Short term borrowings	3,566,497	3,566,497	-	-
Trade and other payables	3,646,513	3,646,513	-	-
	<u>8,600,968</u>	<u>7,730,966</u>	<u>170,002</u>	<u>700,000</u>

35.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or obtain / repay long term financing from / to financial institutions.

Consistent with others in the industry, the Company monitors capital on the basis of the debt equity ratio. This ratio is calculated as under:

Debt equity ratio = Long term portion of debt plus current maturity divided by long term portion of debt (including current maturity) plus total equity.

The debt equity ratios as at December 31, 2019 and 2018 were as follows:

	Note	2019	2018
		(Rupees in thousand)	
Long term borrowing (including current maturity)	14	1,270,001	1,924,022
Total equity		3,259,360	3,731,479
Total		4,529,361	5,655,501
Debt equity ratio		28:72	34:66

The decrease in the debt equity ratio is mainly due to the repayment of long term borrowings and loss after tax during the current year.

35.5 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between the carrying value and fair value estimates. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy is as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The estimated fair value of other financial assets and liabilities is considered not significantly different from carrying values as the items are either short term in nature or periodically repriced.

36. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise related group companies, staff retirement benefits, directors, key management personnel and close members of the family of directors and key management personnel. The Company in the normal course of business carries out transactions with various related parties.

Transactions with related parties are as follows:

Nature of transaction	Nature of relationship	2019	2018
(Rupees in thousand)			
Purchase of goods and services	Associated undertaking	354,215	438,814
Sale of goods	Associated undertaking	1,845,870	1,934,319
Dividend paid	Associated undertaking		
	and Directorship	103,480	258,678
Contributions to staff retirement benefit funds	Retirement benefit funds	64,476	145,752
Commission earned	Associated undertaking	-	4,185
Salaries and other employee benefits	Key management personnel	96,648	96,016

The amounts payable to and receivable from related parties have been disclosed in the relevant notes to these financial statements. These are settled in the ordinary course of business.

36.1 Following are the related parties including associated companies with whom the company had entered into transactions or have arrangement / agreement in place:

S.No	Company Name	Basis of relationship	Aggregate % of Shareholding
1.	Babar Ali Foundation	Associated Company	0.65%
2.	Bulleh Shah Packaging (Private) Limited	Associated Company	N/A
3.	Chantler Packaging Inc.	Associated Company	N/A
4.	Flexible Packaging Converter (Pty.) Limited	Associated Company	N/A
5.	IGI General Insurance Limited	Associated Company	9.67%
6.	IGI Life Insurance Company Limited	Associated Company	N/A
7.	Mitsubishi Corporation	Associated Company	19.33%
8.	Packages Lanka (Private) Limited	Associated Company	N/A
9.	Packages Limited	Associated Company	33.33%
10.	Syed Maratib Ali Charitable Trust	Associated Company	N/A

36.2 Following are the countries of incorporation of the associated companies incorporated outside Pakistan:

S.No	Company Name	Country of Incorporation
1.	Mitsubishi Corporation	Japan
2.	Chantler Packaging Inc.	Canada
3.	Packages Lanka (Private) Limited	Sri Lanka
4.	Flexible Packaging Converter (Pty) Limited	South Africa

37. PLANT CAPACITY AND ACTUAL PRODUCTION

Operational capacity

Production

2019	2018
(Metric tons)	
83,800	83,800
48,004	48,528

37.1 Production of films during the year is based on market demand.

38. NUMBER OF EMPLOYEES

The total average number of employees during the year and as at December 31, 2019 and 2018 respectively are as follows:

Average number of employees during the year

Number of employees as at December 31

2019	2018
319	330
313	322

39. PROVIDENT FUND RELATED DISCLOSURE


All investment in collective investment schemes, listed equity, and listed debt securities out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and the conditions specified thereunder.

40. DATE OF AUTHORISATION

These financial statements were authorised for issue on February 14, 2020 by the Board of Directors of the Company.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



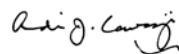
Muhammad Zuhair Damani
Acting Chief Financial Officer

Notice of Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting of Tri-Pack Films Limited will be held on Tuesday, April 14, 2020 at 10.30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi to transact the following business :-

1. To confirm the Minutes of the Annual General Meeting of the Company held on April 16, 2019.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2019 together with the Chairman's Review Report and Directors and Auditors Reports thereon.
3. To appoint Auditors for the year 2020 and to fix their remuneration. The current Auditors, M/s A.F. Ferguson & Co., Chartered Accountants have consented to be appointed as Auditors for the Financial Year 2020 and the Board of Directors has recommended their appointment.

By Order of the Board



Adi J. Cawasji

Company Secretary

Karachi
February 14, 2020

Notes:

1. The Share Transfer Books of the Company will remain closed from April 07, 2020 to April 14, 2020 (both days inclusive). Transfers received in order at the office of the Company's Share Registrars, Messrs FAMCO ASSOCIATES (PVT.) LIMITED, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400 by close of business on April 06, 2020 will be treated in time for attendance at the Annual General Meeting.
2. A Member entitled to attend and vote at the Meeting may appoint another person as his proxy to attend, vote and speak at the Meeting

instead of him/her. A proxy need not be a member of the Company. The instrument appointing a proxy and the power of attorney or other authority / board resolution under which it is signed or a notarially attested copy of power of attorney must be deposited at the Registered Office of the Company at 4th Floor, The Forum, Suite # 416-422, G-20, Block 9, Khayaban-e-Jami, Clifton, Karachi-75600 at least forty-eight (48) hours before the time appointed for the Meeting.

3. Any individual beneficial owner having an account or sub-account with the CDC, entitled to vote at this Meeting, must bring his/her Computerized National Identity Card ("CNIC") with him/her to prove his/her identity, and in case of proxy must enclose an attested copy of his/her CNIC. The representatives of corporate bodies should bring attested copies of board of directors' resolution/powers of attorney and/or all such documents as are required under Circular No.1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan ("SECP") for the purpose.
4. Members are requested to submit copies of their CNICs and promptly notify any change in address by writing to the office of the Shares Registrar (for shares held in physical form) and to the CDC (for shares held in electronic form).
5. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested to provide their IBAN by filling the Electronic Mode Dividend Form available at Company's website (www.tripack.com.pk) containing prescribed details and send it duly signed along with a copy of CNIC to the Registrar of the Company, Messrs FAMCO ASSOCIATES (PVT.) LIMITED, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400, in case of physical shares. In case of book-entry securities, respective shareholders must get their respective records,

including IBAN, updated as per the Electronic Mode Dividend Form with their Broker / Participant / CDC account services.

In the absence of a member's valid bank account details and/or IBAN, the Company will be constrained to withhold the payment of dividend to such members till provision of prescribed details.

6. Shareholders, who for any reason, could not claim their dividend are advised to contact our Shares Registrar, Messrs FAMCO ASSOCIATES (PVT.) LIMITED, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400, to collect/inquire about their unclaimed dividend, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividends unclaimed for a period of three years from the date due and payable shall be deposited with the Federal Government.

7. The Government of Pakistan through Finance Act, 2019 has made certain amendments in the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by companies. These rates are as under:

- | | |
|---|-----|
| (a) For filers of income tax returns: | 15% |
| (b) For non-filers of income tax returns: | 30% |

Shareholders are advised to make sure that their names (and/or the name of their joint holders) are appearing in latest Active Taxpayers List (ATL) provided on the website of FBR, otherwise they (and/or joint holders) shall be treated as non-filers and tax on their cash dividend income will be deducted at the rate of 30% instead of 15%.

8. In order to enable the Company to follow the directives of the regulators to determine shareholding proportion in case of Joint account, all shareholders who hold shares with Joint shareholders, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing, as follows:

Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (%)	Name and CNIC #	Shareholding Proportion (%)

NOTE: In the event of non-receipt of the information by April 06, 2020, each shareholder will be assumed to have equal proportion of shares.

For any query/problem/information, the investors may contact the Company and/or the Share Registrar at the following phone numbers or email addresses:-

Contact persons:

Mr. Sifat Ahmad Khan

Tel. # 92 21 35831618 / 35831664 / 35833011

Email: sifat.ahmad@packages.com.pk

Mr. Ovais Khan

Tel. # 92 21 34380101-2

Email: ceo@famco.com.pk

9. The Individual Members who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company / Share Registrar, are once again reminded to send the same at the earliest directly to Company's Share Registrar, Messrs FAMCO ASSOCIATES (PVT.) LIMITED, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400. The Corporate Entities are requested to provide their National Tax Number (NTN). Please give Folio Number with the copy of CNIC / NTN details. Reference is also made to the Securities and Exchange Commission of Pakistan (SECP) Notifications SRO 779(I)/2011 dated August 18, 2011 and SRO 831(I)/2012 dated July 5, 2012, SRO 19(I)/2014 dated January 10, 2014 and SRO 275(I)/2016 dated March 31, 2016 which mandates that the dividend warrants should bear CNIC number of the registered member or the authorized

person, except in case of minor(s) and corporate members.

In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with aforementioned directives of SECP and therefore will be constrained under Section 243(2)(a) of the Companies Act, 2017 to withhold dispatch of dividend warrants of such shareholders.

Attention of corporate entities / legal persons is also invited towards SECP Circular Nos. 16 and 20 of 2018. Respective shareholders (corporate entities / legal persons) are advised to provide the information pertaining to ultimate beneficial owners and / or other information as prescribed in the subject SECP Circulars to the Share Registrar of the Company.

10. Section 473 of the Companies Act, 2017 requires that after a date notified by the Commission, the information, notices and accounts or any other document to be provided by the company to its members under this Act, shall only be provided electronically on the email address provided by the members. Members are therefore requested to update their respective records pertaining to email address with their Broker/Participant/CDC account services. Physical shareholders are required to provide their email addresses to the Share Registrar of the Company.
11. Shareholders are advised to ensure that they have provided their Passport/NTN/CNIC/Tax Exemption Certificates (for tax exemption, where applicable) and valid Zakat Declaration under Zakat & Ushr Ordinance, 1980 (for Zakat Exemption) to their respective Participant/ CDC Investor Account Services/Company's Share Registrar.
12. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 - 145 of Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.
13. Shareholders may participate in the meeting via video-link facility. If the Company receives a demand (at least 7 days before the date of meeting)

from shareholder(s) holding an aggregate 10% or more shareholding residing in any other city, to participate in the meeting through video link, the Company will arrange video link facility in that city.

Shareholders who wish to participate through video-link facility are requested to fill in Video Link Facility Form available at Company's website (www.tripack.com.pk) and send a duly signed copy to the Registered Address of the Company.

14. The audited financial statements of the Company for the year ended December 31, 2019 have been made available on the Company's website (www.tripack.com.pk) in addition to annual and quarterly financial statements for the prior years.

Further, in accordance with SRO 470(I)/2016 dated May 31, 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with certain other conditions, the Company has obtained shareholders' approval in the Annual General Meeting held on April 20, 2018.

Accordingly, Annual Report of the Company for the year ended December 31, 2019 is dispatched to the shareholders through CD. However, if a shareholder, in addition, requests for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

For convenience of shareholders, a "Standard Request Form for provision of Annual Audited Accounts" have also been made available on the Company's website (www.tripack.com.pk).

15. The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses and CNIC Numbers should be mentioned on the Forms. The Form of Proxy is also available on the Company's website (www.tripack.com.pk).

Video-Link Facility

In this regard, please fill the following form and submit to registered address of the Company 7 days before holding of the Annual General Meeting.

If the Company receives consent from Members holding ten percent (10%) or more shareholding residing in a city, to participate in the Meeting through video-link at least [7] days prior to date of Meeting, the Company will arrange video-link facility in the city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video-link facility at least 5 days before the date of the Annual General Meeting along with complete information necessary to enable them to access the facility.

VIDEO-LINK CONSENT FORM

I/We, _____ of _____ being a member of
Tri-Pack Films Limited, holder of _____ Ordinary shares as per Register
Folio No. / CDC Account No. _____ hereby opt for video-link facility at _____.

Signature of member

Dated: _____

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

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Electronic Credit Mandate Form



Tri-Pack Films Limited

We wish to inform you that in accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive your dividends directly in your Bank account, please complete the particulars as mentioned below and return this letter duly signed along with a copy of your CNIC to the Registrar of the Company M/s FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.

In case your shares are held in CDC then you must submit this dividend mandate form directly to your Broker/Participant/CDC Account Services.

Yours sincerely,
For TRI-PACK FILMS LIMITED

(Adi J. Cawasji)
Company Secretary

SHAREHOLDER'S SECTION:

I hereby communicate to receive my future dividends directly in my Bank account as detailed below:

Name of shareholder	:	_____	
Folio No. / CDC Participant ID & A/C No.	:	_____	Company name: Tri-Pack Films Limited
Contact number of shareholder	:	Landline: _____	Cell: _____
Name of Bank	:	_____	
Bank branch & full mailing address	:	_____	
IBAN Number (See Note below)	:	_____	
Title of Account	:	_____	
CNIC No. (copy attached)	:	_____	
NTN (in case of corporate entity)	:	_____	

It is stated that the above particulars given by me are correct to the best of my knowledge and I shall keep the Company /Participant/CDC Investor Account Services informed in case of any change in the said particulars in future.

Shareholder's Signature

CNIC No. _____
(Copy attached)

Note: Please provide complete IBAN, after checking with your concerned branch to enable electronic credit directly into your bank account.

The payment of cash dividend will be processed on the basis of the account number alone. Your company is entitled to rely on the account number as per your instructions. The company shall not be responsible for any loss, damage, liability or claim arising, directly or indirectly, from any error, delay, or failure in performance of any of its obligations hereunder which is caused by incorrect payment instructions and /or due to any event beyond the control of the company.

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

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Glossary

AASHA	Alliance Against Sexual Harrassment	IMS	Integrated Management System
ADD	Antidumping Duties	ISO	International Standards Organization
AGM	Annual General Meeting	IT	Information Technology
ATL	Active Taxpayers List	ITO	Income Tax Ordinance
ATIR	Appellate Tribunal Inland Revenue	KIBOR	Karachi Inter Bank Offer Rate
BCP	Business Continuity Planning	LC	Letter of Credit
BOD	Board of Directors	LTFF	Long Term Financial Facility
BOPP	Biaxially Oriented Polypropylene	LUMS	Lahore University of Management Sciences
BSC	British Safety Council	MMSCFD	Million Standard Cubic Feet Per Day
CCG	Code of Corporate Governance	NBV	Net Book Value
CCP	Competition Commission of Pakistan	NEQS	National Environment & Quality Standard
CDC	Central Depository Company of Pakistan	NGO	Non Governmental Organization
CEO	Chief Executive Officer	NSI	Net Sales Income
CFO	Chief Financial Officer	NTC	National Tariff Commission
CIR(A)	The Commissioner Inland Revenue (Appeals)	NTN	National Tax Number
CPP	Cast Polypropylene	OHS	Occupational Health and Safety
CSR	Corporate Social Responsibility	OHSAS	Occupational Health and Safety Assessment Specification
DCIR	Deputy Commissioner Inland Revenue	PAT	Profit After Tax
EBIT	Earnings Before Interest and Tax	PBT	Profit Before Tax
EBITDA	Earnings Before Interest, Taxes, Depreciation and Ammortization	PET	Polyethylene Terephthalate
EET	Employee Engagement Index	PKR	Pakistani Rupee
EOBI	Employee Old Age Benefit Institution	PSX	Pakistan Stock Exchange
EPS	Earning Per Share	R&D	Research and Development
ERP	Enterprise Resource Planning	Rs.	Rupees
ESSI	Employee Social Security Institution	SAP	System Application and Products
FBR	Federal Board of Revenue	SBP	State Bank of Pakistan
GIDC	Gas Infrastructure Development Cess	SECP	Security Exchange Commission of Pakistan
HR	Human Resources	SHE	Safety, Health & Environment
HR&R	Human Resources and Remuneration Committee	SOP	Standard Operating Procedures
HSEQ	Health, Safety, Environment & Quality	SPLY	Same Period Last Year
IAS	International Accounting Standards	TPM	Total Productive Maintenance
ICAP	Institute of Chartered Accountants of Pakistan	TRIR	Total Recordable Injury Rate
IFAC	International Federation of accountants	USD	United States Dollar
IFAS	Islamic Financial Accounting Standard	VSS	Vountary Separation Scheme
IFRIC	International Financial Reporting Interpretations Committee	WPPF	Workers' Profit Participation Fund
IFRS	International Financial Reporting Standards	WWF	Workers Welfare Fund

کارپوریٹ اداروں/قانونی افراد کی توجہ ایس ای سی پی کے سرکلر 16 اور 20 بابت 2018 کی جانب بھی مبذول کرائی جاتی ہے۔ متعلقہ شیئر ہولڈرز (کارپوریٹ ادارے/قانونی افراد) کو آگاہ کیا جاتا ہے کہ حتمی بنی فیشل اونرز سے متعلق معلومات اور/یا کوئی بھی دیگر معلومات شیئر رجسٹر ارا کو لازمی فراہم کریں جیسا کہ ایس ای سی پی کے سرکلرز میں صراحت کیا گیا ہے۔

10۔ کمپنیز ایکٹ 2017 کے سیکشن 473 کے تحت یہ ضروری ہے کہ کمیشن کی جانب سے مطلع کردہ ایک تاریخ کے بعد کمپنی کی جانب سے کوئی بھی معلومات، نوٹس، حسابات یا کوئی بھی دستاویز اس ایکٹ کے تحت اپنے ممبران کو صرف بذریعہ الیکٹرونک طریقہ کار ممبران کی جانب سے فراہم کردہ ای میل ایڈریس پر فراہم کی جائے۔ لہذا ممبران سے درخواست ہے کہ وہ ای میل ایڈریس سے متعلق اپنا متعلقہ ریکارڈ، بروکر/پارٹیسپنٹ/سی ڈی سی اکاؤنٹ سروسز کے پاس اپ ڈیٹ کرا دیں، طبی شیئر ہولڈرز کے لئے یہ لازم ہے کہ وہ اپنے ای میل ایڈریسز کمپنی کے شیئر رجسٹر ارا کو فراہم کریں۔

11۔ شیئر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے پاسپورٹ/این ٹی این/سی این آئی سی/ٹیکس سے استثنیٰ کے سرٹیفیکٹس (برائے ٹیکس استثنیٰ جہاں لاگو ہوتا ہو) اور زکوٰۃ و عشر آرڈیننس 1980 (برائے زکوٰۃ استثنیٰ) کے تحت کامڈ زکوٰۃ ڈیکلریشن اپنے متعلقہ پارٹیسپنٹ/سی ڈی سی انویسٹر اکاؤنٹ سروسز/کمپنی کے شیئر رجسٹر ارا کو فراہم یقینی بنائیں۔

12۔ ممبران کمپنیز ایکٹ 2017 کے سیکشن 145 - 143 کی اجلاس کی شرائط اور کمپنیز (پوشل بیلٹ) ریگولیشنز 2018 کی نافذ العمل شقوق کے تحت پول کی ڈیمانڈ کرنے کا حق استعمال کر سکتے ہیں۔

13۔ شیئر ہولڈرز اجلاس میں وڈیو لنک سہولت کے ذریعے بھی شرکت کر سکتے ہیں۔ اگر کمپنی کو کسی دوسرے شہر میں مقیم ایسے شیئر ہولڈرز جو مجموعی طور پر دس فیصد یا زائد شیئر ہولڈنگ کے حامل ہوں، کی جانب سے اجلاس میں بذریعہ وڈیو لنک شرکت کیلئے (اجلاس کی مقررہ تاریخ سے کم از کم سات دن قبل) درخواست موصول ہوئی تو کمپنی اس شہر میں وڈیو لنک سہولت کا بندوبست کر دے گی۔

ایسے شیئر ہولڈرز جو وڈیو لنک سہولت کے ذریعے اجلاس میں شرکت کے خواہشمند ہوں، ان سے درخواست کی کمپنی کی ویب سائٹ (www.tripack.com.pk) پر دستیاب وڈیو لنک فیلٹی فارم کو بھریں اور باقاعدہ دستخط شدہ کاپی کمپنی کے رجسٹرڈ پتے پر ارسال کر دیں۔

14۔ کمپنی کے آڈٹ شدہ مالیاتی حسابات برائے سال ختمہ 31 دسمبر 2019 کمپنی کی ویب سائٹ (www.tripack.com.pk) پر دستیاب ہیں۔ اس کے علاوہ گزشتہ برسوں کے لیے سالانہ اور سہ ماہی حسابات بھی ویب سائٹ پر موجود ہیں۔

مزید برآں SRO 470(I)/2016 مورخہ 31 مئی 2016 کے مطابق جس کے ذریعے ایس ای سی پی نے کمپنیوں کو اجازت دی ہے کہ وہ اپنے ممبران کو سالانہ آڈٹ شدہ حسابات ہارڈ کاپیوں کے بجائے بذریعہ سی ڈی/ڈی وی ڈی/ایو ایس بی ان کے رجسٹرڈ پتوں پر ارسال کر سکتی ہیں، جو شیئر ہولڈرز کی اجازت اور چند دیگر شرائط پر عملدرآمد سے مشروط ہے۔ اس کے مطابق کمپنی نے شیئر ہولڈرز کی اجازت سالانہ اجلاس عام منعقدہ 20 اپریل 2018 میں حاصل کر لی تھی۔

اس کے مطابق کمپنی کی سالانہ رپورٹ برائے سال ختمہ 31 دسمبر 2019 شیئر ہولڈرز کو بذریعہ سی ڈی ارسال کر دی گئی ہے تاہم اگر کوئی شیئر ہولڈرز اس کے علاوہ سالانہ آڈٹ شدہ مالیاتی حسابات کی ہارڈ کاپی کی فراہمی کیلئے درخواست کرے گا تو اسے ہارڈ کاپی درخواست دینے کی وصولی کی تاریخ سے سات دنوں کے اندر بلا معاوضہ فراہم کر دی جائے گی۔

شیئر ہولڈرز کی سہولت کے لیے 'اسٹینڈرڈ درخواست فارم برائے سالانہ آڈٹ شدہ حسابات کی فراہمی' بھی کمپنی کی ویب سائٹ (www.tripack.com.pk) پر دستیاب ہے۔

15۔ پراکسی کا فارم انگریزی اور اردو زبان میں سالانہ رپورٹ کے ساتھ منسلک ہے اور اس پر دو افراد کی گواہی ہونی چاہیے جن کے نام، پتے اور سی این آئی سی نمبرز فارم پر درج ہوں، پراکسی کا فارم کمپنی کی ویب سائٹ (www.tripack.com.pk) پر بھی دستیاب ہے۔

شاہراہ فیصل، کراچی - 75400 سے اپنے غیر کلیم شدہ منافع منقسمہ، اگر کوئی ہوں، کی وصولی/ان کے بارے میں معلومات کے لیے رابطہ کریں۔

برائے مہربانی نوٹ کر لیں کمپنیز ایکٹ 2017 کے سیکشن 244 پر عمل درآمد کے تحت مقررہ طریقہ کار کو مکمل کرنے کے بعد ایسے تمام غیر کلیم شدہ منافع منقسمہ جو اپنی آخری تاریخ اور قابل ادائی ہونے سے تین سال کی مدت کے لیے غیر کلیم شدہ رہے ہوں گے ان کو وفاقی حکومت کے پاس جمع کرا دیا جائے گا۔

7۔ حکومت پاکستان نے فنانس ایکٹ 2019 کے ذریعے انکم ٹیکس آرڈیننس 2001 میں چند ترامیم کی ہیں جن کے ذریعے کمپنیز کی جانب سے ادا کیے جانے والے منافع منقسمہ کی رقم پر وہ ہولڈنگ ٹیکس کی کٹوتی کے لیے مختلف شرحیں مقرر کی گئی ہیں۔ یہ ریش درج ذیل کے مطابق ہیں:

(اے)	انکم ٹیکس گوشواروں کے فائلرز کے لیے:	15%
(بی)	انکم ٹیکس گوشواروں کے نان۔ فائلرز کے لئے:	30%

شیر ہولڈرز کو ہدایت کی جاتی ہے کہ وہ اپنے ناموں (اور/یا اپنے جوائنٹ ہولڈرز کے نام) کی ایف بی آر کی ویب سائٹ پر فراہم کردہ تازہ ترین ٹیکس ادا کرنے والے فعال افراد کی فہرست (اے ٹی ایل) پر موجودگی کو یقینی بنائیں، بصورت دیگر وہ (اور/یا ان کے مشترکہ ہولڈرز) کو نان فائلرز تصور کیا جائے گا اور ان کے نقد منافع کی آمدنی پر ٹیکس کی کٹوتی 15% کے بجائے 30% کی شرح سے کی جائے گی۔

8۔ کمپنی کی گولیٹرز کی ہدایات پر عمل درآمد کرنے اور جوائنٹ اکاؤنٹ کی صورت میں شیر ہولڈنگ تناسب کا تعین کرنے کے سلسلے میں ایسے تمام شیر ہولڈرز جو مشترکہ شیر ہولڈرز کے ساتھ شیرز رکھتے ہوں، ان سے درخواست ہے کہ وہ اپنے پرنسپل شیر ہولڈر اور جوائنٹ ہولڈر (ہولڈرز) کی شیر ہولڈنگ کا تناسب ان کے پاس موجود شیرز کے سلسلے میں درج ذیل صورت میں تحریری طور پر ہمارے شیر رجسٹر ارفراہم کر دیں۔

سی ڈی ایس اکاؤنٹ	کل شیرز	پرنسپل شیر ہولڈر		جوائنٹ شیر	
		نام اور CNIC نمبر	شیر ہولڈنگ (%)	نام اور CNIC نمبر	شیر ہولڈنگ (%)

نوٹ: 06 اپریل 2020 تک مطلوبہ معلومات کی عدم وصولی کی صورت میں ہر ایک شیر ہولڈر کو شیرز کے مساوی تناسب کا حامل تصور کر لیا جائے گا۔

کسی بھی استفسار/مسئلہ/معلومات کے لیے انویسٹرز کمپنی اور/یا شیر رجسٹراز سے درج ذیل فون نمبروں یا ای میل ایڈریسز پر رابطہ کر سکتے ہیں۔

رابطہ کار افراد:-

جناب صفات احمد خان

ٹیلی فون نمبر: 35833011 / 35831664 / 35831618 21 92

ای میل: sifatahmad@packages.com.pk

جناب اولیس خان

ٹیلی فون نمبر: 34380101-2 21 92

ای میل ایڈریس: ceo@famco.com.pk

9۔ ایسے انفرادی ممبران جنہوں نے ابھی تک اپنے کاؤڈ کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) کی فوٹو کاپی کمپنی/شیر رجسٹراز کو جمع نہیں کرائی ہے، ان کو ایک بار یاد دہانی کرائی جاتی ہے کہ وہ اسے فوری طور پر کمپنی کے شیر رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-F، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی - 75400 کو جمع کرا دیں۔ کارپوریٹ اداروں سے درخواست ہے کہ اپنے نیشنل ٹیکس نمبر (این ٹی این) فراہم کریں۔ برائے مہربانی اپنے فلیو نمبر مع سی این آئی سی کی کاپی/این ٹی این کی تفصیلات فراہم کریں۔ اس کے ساتھ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کے نوٹیفیکیشنز بحوالہ ایس آر او 2011/19 مورخہ 18 اگست 2011 اور ایس آر او 2012/831 مورخہ 5 جولائی 2012، ایس آر او 2014/19 مورخہ 10 جنوری 2014 اور ایس آر او 2016/275 مورخہ 31 مارچ 2016 جس کے تحت لازمی ہے کہ منافع منقسمہ کے وارنٹس پر رجسٹرڈ ممبر یا مجاز فرد، ماسوائے نابالغ افراد یا کارپوریٹ ممبران، کے سی این آئی سی نمبرز کا اندراج ضروری ہے۔ کاؤڈ سی این آئی سی کی نقول کی عدم وصولی کی صورت میں کمپنی ایس ای سی پی کی مذکورہ بالا ہدایات پر عمل درآمد سے قاصر ہوگی اور لہذا کمپنیز ایکٹ 2017 کے سیکشن 243(2)(a) کے تحت ایسے شیر ہولڈرز کے منافع منقسمہ کے وارنٹس روک لیے جائیں گے۔

سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا اطلاع دی جاتی ہے کہ ٹرائی بیک فلز لمیٹڈ کا 28 واں سالانہ اجلاس عام بروز منگل 14 اپریل 2020 کو صبح 10.30 بجے نیچ لگٹری ہوٹل، مولوی تمیز الدین خان روڈ کراچی میں درج ذیل امور کی انجام دہی کے لیے منعقد کیا جائے گا۔

- 1- کمپنی کے سالانہ اجلاس عام منعقدہ 16 اپریل 2019 کی کارروائی کی توثیق۔
- 2- کمپنی کے آڈٹ شدہ مالیاتی حسابات برائے سال ختمہ 31 دسمبر 2019 مع ان پر چیئرمین کی جائزہ رپورٹ اور ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور ان کی منظوری۔
- 3- سال 2020 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین، موجودہ آڈیٹرز میسرز اے ایف فرگن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس نے مالیاتی سال 2020 کے لیے آڈیٹرز کی حیثیت سے تقرری کی رضامندی ظاہر کی ہے اور بورڈ آف ڈائریکٹرز نے ان کی تقرری کی سفارش کی ہے۔

حسب الحکم بورڈ

محمد سعید

مدیر جے کاؤس جی
کمپنی سیکریٹری

کراچی: 14 فروری 2020

تقریحات:

- 1- کمپنی کی شیئرز ٹرانسفر بکس 07 اپریل 2020 تا 14 اپریل 2020 (بشمول دونوں دن) بند رہیں گی، کمپنی کے شیئرز رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی-75400 کے دفتر میں 06 اپریل 2020 کو کاروباری اوقات کے اختتام تک موصولہ ٹرانسفر سالانہ اجلاس عام میں شرکت کیلئے بروقت تصور کیے جائیں گے۔
- 2- اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کا استحقاق رکھنے والا کوئی بھی ممبر کسی دوسرے فرد کو اپنی جگہ اجلاس میں شرکت کرنے، ووٹ دینے اور بحث میں حصہ لینے کے لیے کسی مقرر کر سکتا ہے۔ پر کسی کے لیے کمپنی کا ممبر ہونا لازمی نہیں، پر کسی کے تقرر کی دستاویز اور پاور آف اٹارنی یا کوئی دیگر اتھارٹی/بورڈ کی قرارداد، جو باقاعدہ دستخط شدہ ہو یا نوٹری پبلک سے تصدیق شدہ پاور آف اٹارنی کی کاپی لازمی طور پر کمپنی کے رجسٹرڈ آفس واقع چوتھی منزل، دی فورم، سوئٹ نمبر 422-416، جی-20، بلاک-9، خیابان جامی، گلشن، کراچی-75600 میں اجلاس کے مقررہ وقت سے کم از کم اڑتالیس (48) گھنٹے قبل موصول ہو جانی چاہیئے۔

3- کوئی بھی انفرادی بینیفیشل اور جو سی ڈی سی کے پاس اکاؤنٹ یا ضمنی اکاؤنٹ کا حامل ہو، اجلاس ہذا میں ووٹ دینے کا استحقاق رکھتا ہو وہ لازمی طور پر اپنی شناخت ثابت کرنے کے لیے اپنا کمپیوٹرائزڈ قومی شناختی کارڈ (سی این آئی سی) اپنے ہمراہ لائے اور پر کسی کی صورت میں لازماً اپنے سی این آئی سی کی مصدقہ کاپی منسلک کرے۔ کارپوریٹ اداروں کے نمائندے بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی اور/یا ایسے تمام دستاویزات کی مصدقہ نقول ہمراہ لائیں جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی جانب سے جاری کردہ سرکلر نمبر 1، مورخہ 26 جنوری 2000 کے تحت اس مقصد کے لیے درکار ہیں۔

4- ممبران سے درخواست ہے کہ اپنے سی این آئی سی کی نقول جمع کرادیں اور فوری طور پر اپنے پتوں میں کسی بھی تبدیلی کے بارے میں شیئرز رجسٹرار (فریکل صورت میں شیئرز ہونے پر) اور سی ڈی سی کو (الیکٹرونک شکل میں شیئرز ہونے کی صورت میں) مطلع کریں۔

5- کمپنیز ایکٹ 2017 کے سیکشن 242 کی شقوں کے تحت کسی بھی لسٹڈ کمپنی کے لیے یہ لازم ہے کہ وہ اپنے شیئرز ہولڈرز کو نقد منافع منقسمہ صرف الیکٹرونک طریقہ کار استحقاق کے حامل شیئرز ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں براہ راست جمع کرائے۔

اپنے نامزد کردہ بینک اکاؤنٹ میں براہ راست منافع منقسمہ وصول کرنے کی غرض سے شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ کمپنی کی ویب سائٹ (www.tripack.com.pk) پر دستیاب الیکٹرونک موڈ منافع منقسمہ فارم کو پُر کر کے اپنا آئی بی اے این فراہم کریں جس میں تمام مقررہ تفصیل شامل ہو اور اس پر باقاعدہ دستخط کر کے سی این آئی سی کی کاپی کے ہمراہ کمپنی کے رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی-75400 (فریکل شیئرز ہونے کی صورت میں) ارسال کر دیں۔ بک اینٹری سیکورٹیز ہونے کی صورت میں متعلقہ شیئرز ہولڈرز لازمی طور پر اپنا متعلقہ ریکارڈز بشمول آئی بی اے این الیکٹرونک موڈ ڈیویڈنڈ فارم کے مطابق اپنے بروکر/پارٹنر/پنٹ ای سی ڈی سی اکاؤنٹ سروسز کے پاس اپ ڈیٹ کرائیں۔

ممبر کی کارآمد بینک اکاؤنٹ تفصیلات اور/یا آئی بی اے این کی عدم موجودگی میں کمپنی ایسے ممبران کے منافع منقسمہ کی ادائیگی کو مقررہ تفصیلات کی فراہمی تک روکنے پر مجبور ہوگی۔

6- ایسے شیئرز ہولڈرز جو کسی بھی وجہ سے اپنے منافع منقسمہ کو کلیم نہیں کر سکے ہوں، انہیں ہدایت کی جاتی ہے کہ وہ ہمارے شیئرز رجسٹرار میسرز فیمکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، F-8، متصل ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس،

ویڈیولنک کی سہولت

اس سلسلے میں برائے مہربانی درج ذیل فارم کو بھریں اور سالانہ اجلاس عام کے انعقاد سے 7 روز قبل کمپنی کے رجسٹرڈ پتے پر جمع کرادیں۔

اگر کمپنی کو ایک شہر میں مقیم دس فیصد (10%) یا زائد شیئرز ہولڈنگ کے حامل ممبران کی جانب سے اجلاس میں بذریعہ ویڈیو لنک شرکت کے سلسلے میں ارادے کی اطلاع اجلاس کی تاریخ سے کم از کم سات (7) دن قبل موصول ہوگئی تو کمپنی اس شہر میں ویڈیو لنک کی سہولت کا انتظام کر دے گی جو کہ اس شہر میں ایسی سہولت کی دستیابی سے مشروط ہوگا۔

کمپنی سالانہ اجلاس کی تاریخ سے کم از کم 5 روز قبل ممبران کو ویڈیولنک کی سہولت کے مقام کے بارے میں ان کی اس سہولت تک رسائی کے لئے تمام ضروری معلومات کے ساتھ آگاہ کر دے گی۔

ویڈیولنک کے ذریعے شرکت کے ارادے کا فارم

[illegible]

کا/ کے رکن حامل ----- عمومی شیئرز بہ مطابق

رجسٹرڈ فیلو نمبر / سی ڈی سی اکاؤنٹ نمبر ----- بذریعہ لہذا ----- میں ویڈیولنک کی سہولت حاصل کرنے کا / کے خواہشمند ہوں / ہیں۔

ممبر کے دستخط

تاریخ

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

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الیکٹرونک کریڈٹ کے مینڈیٹ کا فارم

ہم آپ کو مطلع کرنا چاہتے ہیں کہ کمپنی ایکٹ 2017 کے سیکشن 242 کی شقوں کے مطابق ایک لکھڑی کمپنی کے لئے یہ ضروری ہے کہ وہ اپنے شیئر ہولڈرز کو نقد منافع منقسمہ کی ادائیگی صرف بذریعہ الیکٹرونک طریقہ کار براہ راست استحقاق کے حامل شیئر ہولڈرز کی جانب سے نامزد کردہ بینک اکاؤنٹ میں کرے۔

اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں وصولی کی غرض سے برائے مہربانی ذیل میں درج کوائف کو مکمل کریں اور اس لیٹر کو باقاعدہ دستخط کر کے اپنے سی این آئی سی کی کاپی کے ہمراہ کمپنی کے رجسٹر اریسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، 8-ایف، نزد ہوٹل فاران، نرسری، بلاک-6، پی ای سی ایچ ایس، شاہراہ فیصل، کراچی کو جمع کرا دیں۔

اگر آپ کے شیئرز سی ڈی سی میں جمع ہیں تو آپ کو لازماً منافع منقسمہ کے مینڈیٹ کے اس فارم کو براہ راست اپنے بروکر / پارٹنر سپیٹ / سی ڈی سی اکاؤنٹ سروسز کو جمع کرانا ہوگا۔

آپ کا مخلص

ٹرائی پیک فلمز لمیٹڈ

(عدی جے کاؤنٹی)

کمپنی سیکریٹری

شیئر ہولڈرز پر کریں:

میں بذریعہ اطلاع دیتا ہوں کہ آئندہ میں اپنے منافع منقسمہ کو براہ راست اپنے بینک اکاؤنٹ میں درج ذیل تفصیل کے مطابق وصول کروں گا۔

شیئر ہولڈر کا نام

فولیو نمبر / سی ڈی سی پارٹنر سپیٹ آئی ڈی اور اکاؤنٹ

نمبر

شیئر ہولڈر کا رابطہ نمبر

بینک کا نام

بینک برانچ اور ڈاک کا مکمل پتہ

آئی بی اے این نمبر (بچے درج نوٹ ملاحظہ فرمائیں)

اکاؤنٹ کا نمٹل

سی این آئی سی نمبر (کاپی منسلک کریں)

این ٹی این (کارپوریٹ ادارے کی صورت میں)

آگاہ کیا جاتا ہے کہ میری جانب سے فراہم کردہ مذکورہ بالا کوائف درست اور میری معلومات کے عین مطابق ہیں اور میں آئندہ ان کوائف میں کسی بھی تبدیلی کی صورت میں کمپنی / پارٹنر سپیٹ / سی ڈی سی انویسٹر اکاؤنٹ سروسز کو مطلع کرتا رہوں گا۔

نمبر:-

سی این آئی سی

(کاپی منسلک کریں)

شیئر ہولڈر کے دستخط

نوٹ:

برائے مہربانی اپنا مکمل آئی بی اے این اپنی متعلقہ برانچ سے چیک کرنے کے بعد فراہم کریں تاکہ الیکٹرونک کریڈٹ براہ راست آپ کے بینک اکاؤنٹ میں ممکن ہو سکے۔ نقد منافع منقسمہ کی ادائیگی صرف اکاؤنٹ نمبر کی بنیاد پر عمل میں لائی جائے گی۔ آپ کی کمپنی آپ کی ہدایات کے مطابق اکاؤنٹ نمبر پر انحصار کرنے کا استحقاق رکھتی ہے۔ کمپنی ایسے کسی بھی نقصان، ضیاع، مالی ذمے داری یا دعویٰ کے لئے بلواسطہ یا بلاواسطہ قطعی ذمے دار نہ ہوگی جو کسی غلطی، تاخیر ایسی کسی مالی ادائیگی کر پر فارمنس میں ناکامی کی صورت میں سامنے آئے جو ادائیگی کی غلط اور نامناسب ہدایات کی وجہ سے ہو اور / یا کسی ایسے واقعے کے باعث پیش آئے جس پر کمپنی کا کوئی اختیار نہ ہو۔

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

AFFIX
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آڈٹ کمیٹی نے لسٹڈ کمپنیز (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 میں فراہم کردہ ٹرمز آف ریفرنس کو اختیار کیا ہے جو سالانہ رپورٹ کے صفحہ نمبر 73 پر درج ہے۔

افراد قوت اور اجرتی کمیٹی (HR&R)

افراد قوت اور اجرتی کمیٹی (HR&R) تین نان ایگزیکٹو ڈائریکٹرز اور چیئر مین جو خود مختار ڈائریکٹریں پر مشتمل ہے۔ سال کے دوران میں افراد قوت اور اجرتی کمیٹی کے 12 اجلاس منعقد ہوئے تھے۔ ہر ممبر کی حاضری درج ذیل دی گئی ہے:-

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری کی تعداد
1	جناب آصف قادر (چیئر مین - خود مختار ڈائریکٹر)	2
2	سید اسلم مہدی	-
3	جناب خرم رضا بختیاری	2
4	جناب کی می ہائڈ اینڈو (یکم اپریل 2019 کو مستعفی ہو گئے)	-
5	جناب اتوشی فیوجی (یکم اپریل 2019 کو تفرار ہوا)	-

جو ممبر افراد قوت اور اجرتی کمیٹی کے اجلاسوں میں حاضر نہ ہو سکے ان کی غیر حاضری کی درخواست منظوری کی گئی۔

افراد قوت اور اجرتی کمیٹی نے لسٹڈ کمپنیز میں (کوڈ آف کارپورٹ گورننس) ریگولیشنز 2019 میں فراہم کردہ ٹرمز آف ریفرنس کو اختیار کیا ہے جو سالانہ رپورٹ کے صفحہ نمبر 75 پر درج ہے۔

ڈائریکٹرز کے مشاہرے

کمپنی نے ڈائریکٹرز کی مشاہرہ پالیسی کی منظوری دیدی ہے۔ اس پالیسی کا مقصد ڈائریکٹرز کے مشاہروں مع نان ایگزیکٹو ڈائریکٹرز کی جانب سے فراہم کردہ اضافی / تکنیکی خدمات کے معاوضوں کا تعین کرنے کا شفاف طریقہ کار اختیار کرنا ہے۔ مشاہروں میں تبدیلی کا تعین بورڈ آف ڈائریکٹرز وقتاً فوقتاً افراد قوت اور اجرتی کمیٹی (HR&R) کی سفارشات پر کرے گا۔ بورڈ کی جانب سے وضع کی گئی پالیسی سالانہ رپورٹ کے صفحہ نمبر 68 پر دی گئی ہے۔

ایگزیکٹوز اور نان ایگزیکٹو ڈائریکٹرز کے مشاہروں کی مجموعی رقم کی مزید تفصیلات سالانہ رپورٹ کے فنانشل اسٹیٹمنٹ کے نوٹ 31، صفحہ نمبر 157 پر درج کی گئی ہے۔

قومی خزانے میں ادائیگی

آپ کی کمپنی نے 2019 میں سیلنیکس، کسٹم ڈیوٹی اور کم ٹیکس وغیرہ کی مد میں تقریباً 3.2 ملین روپے قومی خزانے میں جمع کرائے۔

شیئر ہولڈنگ کا طرز

حصص یافتگان کے بعض درجوں کے شیئر ہولڈنگ کے طرز کا ایک اسٹیٹمنٹ بمطابق 31 دسمبر 2019 جو رپورٹنگ فریم ورک کے تحت ظاہر کرنا لازمی ہے منسلک حصص یافتگان سے متعلق معلومات میں سالانہ رپورٹ کے صفحہ نمبر 34 پر دیا گیا ہے۔

ایکسٹرنل آڈیٹرز

موجودہ آڈیٹرز میسرز اے۔ ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں، اور اہلیت کی بناء پر انہوں نے خود کو دوبارہ تقرری کیلئے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کی سفارش پر میسرز اے۔ ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹینٹس کو اگلے سالانہ اجلاس عام تک کے لئے باہمی رضامندی سے طے شدہ فیس پر بطور آڈیٹرز دوبارہ تقرری کی تجویز دی ہے۔

چیئر مین کا جائزہ:

چیئر مین کا جائزہ سالانہ رپورٹ کا حصہ ہے جو کہ سالانہ رپورٹ کے صفحہ نمبر 103 پر دیا گیا ہے۔

اعتراف:

ہم اپنے معزز اسٹیک ہولڈرز بشمول صارفین، بینکس، سپلائرز، کنٹریکٹرز اور حصص داران کی شاندار حمایت اور ان کے بھروسے کے شکر گزار ہیں۔ ہم اپنے ملازمین کے اس تمام عرصے میں ان کی لگن اور انتھک محنت کے بھی شکر گزار ہیں۔



آصف قادر
ڈائریکٹر



ناصر جمال
چیف ایگزیکٹو

کراچی 14 فروری 2020

بورڈ آف ڈائریکٹرز

سید بابر علی	(چیئر مین۔ نان ایگزیکٹو ڈائریکٹر)
سید حیدر علی	(نان ایگزیکٹو ڈائریکٹر)
جناب اتوشی فیوجی	(نان ایگزیکٹو ڈائریکٹر)
جناب خرم رضا بختیاری	(نان ایگزیکٹو ڈائریکٹر)
مس زمین توفیق چنائے	(خود مختار ڈائریکٹر)
جناب یوکیو بایا ساوا	(نان ایگزیکٹو ڈائریکٹر)
سید اسلم مہدی	(نان ایگزیکٹو ڈائریکٹر)
جناب آصف قادر	(خود مختار ڈائریکٹر)

بورڈ کی تشکیل میں تبدیلیاں

سال کے دوران میں جناب کبھی ہائیڈرائڈ نے استعفیٰ دیا اور ان کی جگہ جناب اتوشی فیوجی کا تقرر ہوا۔ جناب کبھی ہائیڈرائڈ نے بطور ڈائریکٹر اپنی مدت ملازمت کے دوران میں جو قابل قدر خدمات انجام دیئے وہ ڈائریکٹرز نے ریکارڈ میں رکھنے کا عندیہ دیا اور جناب اتوشی فیوجی کو بورڈ آف کمپنی میں خوش آمدید کہا۔

بورڈ کی تشکیل:

کمپنی کا بورڈ آف ڈائریکٹر درج ذیل آٹھ ڈائریکٹرز پر مشتمل ہے:

2	خود مختار ڈائریکٹرز
6	نان ایگزیکٹو ڈائریکٹرز
-	ایگزیکٹو ڈائریکٹرز
ان میں 7 مرد ہیں اور ایک خاتون ہیں۔	

بورڈ آف ڈائریکٹرز کے اجلاس

سال 2019 کے دوران میں بورڈ کے 17 اجلاس منعقد ہوئے اور ہر ڈائریکٹر کی اجلاسوں میں حاضری درج ذیل ہے:

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری کی تعداد
1	سید بابر علی (چیئر مین)	4
2	جناب ناصر جمال (چیف ایگزیکٹو آفیسر)۔ (متصور ڈائریکٹر)	5
3	جناب آصف قادر	7

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری کی تعداد
4	سید حیدر علی	7
5	سید اسلم مہدی	7
6	جناب خرم رضا بختیاری	5
7	جناب کبھی ہائیڈرائڈ و (یکم اپریل 2019 کو مستعفی ہو گئے)	-
8	جناب یوکیو بایا ساوا	5
9	مس زمین توفیق چنائے	5
10	جناب اتوشی فیوجی (یکم اپریل 2019 کو تقرر ہوا)	4
11	جناب علی رضا (جناب یوکیو بایا ساوا کے متبادل)	1

جو ڈائریکٹر بورڈ کے اجلاسوں میں حاضر نہ ہو سکے ان کی غیر حاضری کی درخواست منظور کی گئی۔

آڈٹ کمیٹی:

کوڈ آف کارپوریٹ گورننس کے نفاذ کے بعد سے ہی بورڈ کی ایک آڈٹ کمیٹی قائم ہے۔ یہ 4 نان ایگزیکٹو ڈائریکٹرز اور چیئر مین (جو کہ خود مختار ڈائریکٹر ہیں) پر مشتمل ہیں۔

رواں سال کے دوران میں آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے تھے۔ ہر ممبر کی حاضری درج ذیل دی گئی ہے:

نمبر شمار	ڈائریکٹروں کے نام	اجلاسوں میں حاضری کی تعداد
1	جناب آصف قادر (چیئر مین۔ خود مختار ڈائریکٹر)	3
2	جناب کبھی ہائیڈرائڈ و (یکم اپریل 2019 کو مستعفی ہو گئے)	-
3	جناب خرم رضا بختیاری	3
4	جناب یوکیو بایا ساوا	1
5	مس زمین توفیق چنائے	4
6	جناب اتوشی فیوجی (یکم اپریل 2019 کو تقرر ہوا)	2
7	جناب علی رضا (جناب یوکیو بایا ساوا کے متبادل)	2

جو ممبر آڈٹ کمیٹی کے اجلاسوں میں حاضر نہ ہو سکے ان کی غیر حاضری کی درخواست منظور کی گئی۔

۳۔ متعلقہ پارٹیز کے ساتھ لین دین کی منظوری کیلئے کم از کم مطلوبہ شرائط کو بورڈ پیپر میں ڈائریکٹرز کو فراہم اور ظاہر کر دیا گیا ہے۔ کمپنیز ایکٹ 2017 کے چوتھے شیڈول کے مطابق متعلقہ پارٹیز کے ساتھ لین دین کی تفصیلات منسلک آڈٹ شدہ مالیاتی گوشوارے کے ضمیمے کے نوٹ 36 میں فراہم کر دی گئی ہیں۔

کوڈ آف کارپوریٹ گورننس

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس ریگولیشن 2019) میں درج کوڈ آف کارپوریٹ گورننس کی شرائط کمپنی نے اختیار کی ہیں اور ان پر باقاعدگی سے عمل کیا جاتا ہے۔ اس سلسلے میں ایک ضمیمہ اس رپورٹ کے ساتھ منسلک ہے۔

اجتماعی اور مالیاتی رپورٹنگ فریم ورک

- (i) مالیاتی حسابات آپ کی کمپنی کی انتظامیہ کے ذریعے تیار کئے گئے ہیں اور اس کے شفاف کاروباری امور و معاملات، اس کے آپریشن کے نتائج، نقد فراوانی اور ایکویٹی میں تبدیلیوں کو ظاہر کرتے ہیں۔
- (ii) کمپنی کے کھاتے کی باقاعدہ کتابوں کو مناسب طریقے سے برقرار رکھا گیا ہے۔
- (iii) درست اکاؤنٹنگ پالیسیاں مستقل طور پر مالیاتی حسابات اور اکاؤنٹنگ تخمینہ جات کی تیاری میں لاگو کی جاتی ہیں۔ ماسوائے ان تبدیلیوں کے جو مالیاتی حسابات کے نوٹس میں درج ہیں۔ اکاؤنٹنگ کی پالیسیاں موزوں اور محتاط فیصلے پر منحصر ہوتی ہیں۔
- (iv) مالیاتی اسٹیٹمنٹ، پاکستان میں لاگو International Financial Reporting Standards کے معیارات کی بنیاد پر تیار کئے گئے ہیں۔
- (v) اندرونی کنٹرول کا نظام مستحکم طور پر تیار کیا گیا ہے اور موثر طور پر نافذ العمل اور زیر نگرانی رہتا ہے۔ سسٹم کی مستقل طور پر اندرونی آڈٹ اور ایسے دیگر مانیٹرنگ طریقہ کار کے ذریعے نگرانی جاری رہتی ہے اور انٹرئل کنٹرول کی نگرانی کا عمل ایک جاری طریقہ کار اور کنٹرول کو مزید مستحکم بنانے کے مقاصد کے ساتھ جاری و ساری رہے گا۔
- (vi) سال رواں کے دوران کمپنی کے آپریٹنگ نتائج میں گزشتہ سال کے مقابلے میں نمایاں تبدیلیوں کی تفصیلات اور منافع جات کے لئے مستقبل کے امکانات کے حوالے سے اہم منصوبے اور فیصلوں کی تفصیل اس رپورٹ میں درج ہے۔
- (vii) گزشتہ چھ سال کا کلیدی آپریٹنگ اور فنانشل ڈیٹا منسلک ہے۔
- (viii) ٹیکسز اور لیویز کے بارے میں اطلاعات مالیاتی حسابات کے صفحہ نمبر 100 میں دی گئی ہیں۔
- (ix) کاروبار کو آگے بڑھانے کے بارے میں کمپنی کی صلاحیت پر کسی قسم کے شکوک و شبہات نہیں ہیں۔

xi. پراویڈنٹ اور گریجویٹ فنڈز کی سرمایہ کاری کی قدر بمطابق 30 جون 2019، جو غیر آڈٹ شدہ حسابات درج ذیل ہے:

روپے '000 میں	پراویڈنٹ فنڈ	گریجویٹ فنڈ
135,031		
6,491		

xii. سید اسلم مہدی، جناب کبھی ہائیڈ اینڈ، جناب خرم رضا بختیاری اور جناب یوکیو حیا ساوانے ڈائریکٹرز ٹریننگ پروگرام کے تحت مجوزہ اسناد حاصل کی ہیں۔ جناب ناصر جمال (منصور ڈائریکٹر) کو ابھی ڈائریکٹرز ٹریننگ پروگرام کے تحت سند حاصل کرنی ہے۔ بقیہ ڈائریکٹرز کم از کم 14 سال کی تعلیم اور 15 سال یا اس سے زائد لسٹڈ کمپنیوں کے بورڈ کا تجربہ رکھتے ہیں اور اس بناء پر ڈائریکٹرز ٹریننگ پروگرام سے مستثنیٰ ہیں۔

سی ای او/ڈائریکٹر اور ایگزیکٹوز کی جانب سے شیئرز کی تجارت

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، انٹرئل آڈٹ کے سربراہ، دیگر ایگزیکٹوز، ان کے شریک حیات اور چھوٹے بچوں کی جانب سے کی گئی شیئرز کی تجارت کی تفصیلات درج ذیل ہیں:

خریدے گئے حصص	حصص کی تعداد
ڈائریکٹر	16,400
چیف ایگزیکٹو آفیسر	--
چیف فنانشل آفیسر	--
کمپنی سیکریٹری	--
انٹرئل آڈٹ کے سربراہ	--
دیگر ایگزیکٹوز	--
شریک حیات	--
چھوٹے بچے	--
شیئرز کی فروخت	--

ہر وقت مطلوبہ احتیاط کو یقینی بنایا جائے، فیسلیٹیٹر، دفاتر، ویب سائٹس کی باقاعدگی کے ساتھ جانچ کی جاتی ہے تاکہ کاروبار اور اسٹیک ہولڈرز کو یقین دہانی فراہم کی جاسکے۔ ہم SHE کی کارکردگی میں اضافے، لاگو قوانین اور ضوابط پر عمل درآمد برقرار رکھنے اور مسلسل بہتری کے عمل کو جاری رکھنے کیلئے تمام ضروری وسائل فراہم کرنے کا عزم رکھتے ہیں۔

اجتماعی سماجی ذمہ داری

اپنے کاروبار کو مزید استحکام اور ذمہ داری کے ساتھ چلانے کیلئے اور بہترین سماجی تاثر قائم کرنے کیلئے ہم نے اپنی ماحولیاتی اور سماجی ذمہ داریوں کو یکٹیجز گروپ کے یونائیٹڈ نیشنز سسٹم اینبل ڈیولپمنٹ گولز (SDGs) کے ساتھ منسلک کر لیا ہے۔

اپنی کمیونٹی کی فلاح و بہبود ہماری تمام سماجی خدمات کی بنیاد ہے۔

ہمارے ساتھ ہمیشہ ان اداروں اور پروگرام کے ساتھ رہا ہے اور ساتھ رہے گا۔

جو فلاح اور سماجی بہبود کے کاموں میں سرگرم عمل ہیں۔ ہم نے خاص طور پر مختلف اداروں جیسے انڈس ہسپتال، پاکستان فائونڈیشن فائیننگ بلائینڈ فیس، NOWPDP اور پاکستان کے تعلیمی اداروں کے ساتھ مضبوط اشتراک کیا ہے اور ایسا کرتے رہیں گے اور کمیونٹی کے ساتھ اپنی سرگرمیوں کو مزید وسعت دیں گے۔ اس کے علاوہ ہمارے کاروباری اہداف ہماری سماجی عہد کی حمایت کرتے ہیں اور ہمارا مقصد بھی اپنے پورے ادارے میں مختلف نوعیت کی نمائندگی شامل کرنا ہے۔

انتظامی اطلاعی نظام

ہماری توجہ اپنے ERP کے زیادہ سے زیادہ استعمال پر مرکوز ہے تاکہ پیپر لیس ماحول حاصل کیا جاسکے اور اندرونی کنٹرول کے انتظام کو یقینی بنایا جاسکے۔ ہماری قابل ٹیم ERP سپیشلسٹ پر مشتمل ہے جو تمام اسٹیک ہولڈرز کیلئے روایت سے ہٹ کر عمل پیش کرنے میں مسلسل کوشاں ہے اور اس طرح کمپنی کو اپنی آپریشن کی استعداد میں اضافہ اور درست ترین رپورٹ کے عزم کے حصول میں مددگار ہوگی۔

انسانی وسائل

2019 میں ہمارے ایچ آر کے طرز عمل میں ایک بنیادی تبدیلی آئی؛ اسٹیک ہولڈرز کی بھرپور شمولیت؛ باصلاحیت افراد کے سیکھنے اور ڈیولپمنٹ کی حکمت عملی، کام کی جگہ پر اور صنعتی تعلقات میں تنوع اور شمولیت؛ ڈیجیٹل ٹرانسفورمیشن میں تیزی اور اپنے آپریشنز کو آسان تر بنانا تاکہ ہم کو اپنی سرمایہ کاری (انسانی وسائل کے حوالہ سے) کے بہتر نتائج برآمد ہوں۔ اپنے تمام اقدامات میں ایچ آر کی مہارت اور باصلاحیت افراد کو باختیار بنانے کے ہدف کو اولین ترجیح دی گئی۔

ہماری ٹیم نے ہمارے ایچ آر معمولات کی پائیداری کو بہتر بنانے کیلئے حوصلہ افزا ترقی کی ہے اور ہم نے کارروائی شروع کر دی ہے جس کے ذریعہ 2020-21 کے کاروباری اہداف کے حصول میں مدد ملے گی۔

اس کے علاوہ ہم ان صلاحیتوں پر بھی کام کر رہے ہیں جو ہماری افرادی قوت کو کاروباری حکمت عملی اور محفوظ مستقبل کو یقینی بنانے کیلئے ناگزیر ہے اس کیلئے ہم ادارے میں افرادی صلاحیت اور باصلاحیت افراد کے نئے کردار کی ڈیولپمنٹ کیلئے سرمایہ کاری کر رہے ہیں۔ اس سال ہم نے نئے لیڈر شپ ڈیولپمنٹ پروگرام "Leadership Essentials" اور "Leadership Advantage" متعارف کرائے جو 2019 کی اہم باتوں میں سے ایک تھی اور جس کا مقصد لیڈرز کی صلاحیتوں کو بہتر بنانا تھا۔

اس اضافہ کا مقصد ہمارے لیڈرز کو ان کی صلاحیتوں کے بارے میں مستحکم اور قابل عمل فیڈ بیک دینا اور ترقی کے مواقع کے حصول پر زور دینا تھا اور اپنے لوگوں سے فیڈ بیک حاصل کر کے ان کے رویوں میں بہتری لانا تھا۔ ٹرائی پیک میں ہم جنس کے تنوع میں اضافہ اور استحکام کے ذریعہ کام کی جگہ کو متنوع اور مجموعی شمولیت کی جگہ بنانے کیلئے اپنی ترجیحات پر بھی آگے بڑھ رہے ہیں۔ ہم چاہتے ہیں کہ ہماری پالیسیوں اور معمولات میں یونائیٹڈ نیشنز سسٹم اینبل ڈیولپمنٹ گولز (SDGs) کے ساتھ عزم کا عکس ہو اور ہم ایک بڑا سماجی تاثر قائم کر سکیں۔

آخر میں ہم یہ یقین رکھتے ہیں کہ ایک بہتر ڈیجیٹل مستقبل کے مواقع اور عہد تک سب کی رسائی ہو اور ہم یہ یقین دلانے کا عزم رکھتے ہیں کہ مستقبل کے اس سفر میں کوئی بھی پیچھے نہ رہ جائے۔ HR/ERP ٹیکنالوجی کے امتزاج سے ہم اپنے لوگوں کو TPFL کیلئے مساوی اور مکمل شرکت کیلئے ہر موجودہ خلاء پر کریں گے اور ان کا معیار بہتر بنائیں گے۔

معیار کا نظام

معیاری ہماری مصنوعات کا اصل جوہر ہے۔ ہم کلیدی کارکردگی کے اشاریے (KPIs) کے ایک مستحکم نظام اور آن جاب ویبرونی تربیت کے ذریعے معیار کے تمام نافذ العمل اسٹینڈرڈز کی شرائط پر عملدرآمد کو یقینی بناتے ہیں۔

پیداواریت کو مزید بہتر بنانے کیلئے مشین کی استعداد اور طریقہ کار میں ضیاع میں کمی لائی جائے گی اور ماہرین سے مستقل مشاورت کے ذریعے پیداواری عمل مزید بہتر بنانا ہے۔

متعلقہ کاروباری فریقوں کے ساتھ لین دین

کمپنیز ایکٹ 2017 کے سیکشن 208 اور کمپنیز (ریگولیشن پارٹی ٹرانزیکشن اینڈ مینجمنٹس آف ریلیٹیڈ ریکارڈ) ریگولیشنز 2018 کی بیرونی میں کمپنی نے درج ذیل امور انجام دیئے ہیں:

- ۱۔ متعلقہ پارٹیز سے لین دین کی پالیسی تشکیل دی جس کی بورڈ نے باقاعدہ منظوری دی ہے۔
- ۲۔ متعلقہ پارٹیز کے ساتھ لین دین کی شرائط مرتب کی جن کو "arm's length transaction" کے طور پر ترتیب دیا گیا ہے۔

مستقبل کا منظر نامہ

اگرچہ کاروباری حالات چیلنجنگ رہنے کی توقع ہے، لیکن ہمیں امید ہے کہ بازار کی طلب 2018 کی سطح پر واپس آجائے گی جو 2019 میں 7% کم ہوئی تھی جس کے فائدے میں کمپنی کو مقامی طلب میں مزید حصہ ملے گا اور منافعے میں بھی بہتری آئے گی۔

خام مال کی قیمتیں پروڈاکٹس میں رہنے کی توقع ہے جس کی وجہ آنے والی سپلائر اور عالمی معیشت کی سست روی ہے۔ توانائی کی قیمتوں میں اضافے اور پالیسی ریٹس میں کمی عام طور پر صنعتوں کیلئے قابل تشویش رہے گی۔

نقد بہاؤ کی حکمت عملی

زیر جائزہ مدت میں آپریشنز سے نقد داخلی بہاؤ 3,576 ملین روپے رہا (2018: نقد خارجی بہاؤ 360 ملین روپے) جو جاری سرمایہ کی منجنت کے ذریعہ حاصل ہوئی۔ نتیجتاً، مجموعی قرضہ 1,948 روپے سے کم ہوا۔

خداشات اور غیر یقینی کیفیت

مشرق وسطیٰ میں جغرافیائی سیاسی ہنگامی صورتحال اور بڑی معاشی طاقتوں کے درمیان تجارتی بحران کے سبب مجموعی طور پر عالمی معیشت دباؤ کی حالت میں رہی جس کا اثر مقامی مارکیٹ پر بھی پڑا۔ زرمبادلہ کی شرح میں اتار چڑھاؤ کے نتیجے میں پیداواری لاگت میں اضافہ ہوا۔ ملک میں موجودہ مسابقتی منظر نامہ میں درج بالا خداشات مکمل طور سے صارفین کی طرف منتقل نہیں ہوئے۔

آپ کی کمپنی زرمبادلہ کے خدشہ سے بخوبی آگاہ ہے جو بڑی کرنسیز کے مقابلے میں پاکستانی روپے کی قدر میں کمی سے بے یقینی کی کیفیت کی شکل میں منڈلا رہا ہے اور روپے کی قدر میں کسی بھی کمی کے اثر کو کم سے کم رکھنے کیلئے اقدامات کر رہی ہے۔

خداشات اور مواقع کا تفصیلی تجزیہ سالانہ رپورٹ کے صفحہ نمبر 62 پر دیا گیا ہے جس میں اندرونی اور بیرونی عوامل کا احاطہ کیا گیا ہے۔

بنیادی سرگرمیاں / کاروبار کی نوعیت میں بڑی پیش رفت / تبدیلیاں

کمپنی کی بنیادی سرگرمیوں کی تفصیل سالانہ رپورٹ کے صفحہ نمبر 15 پر درج ہے۔ سال کے دوران میں کمپنی کے کاروبار کی نوعیت میں کوئی نمایاں تبدیلی نہیں ہوئی۔

اندرونی مالیاتی کنٹرولز

کمپنی میں اندرونی کنٹرول کا جامع فریم ورک موجود ہے۔ فنانس کنٹرول کے تفصیلی مینوئل بھی موجود ہیں جو اندرونی آڈیٹرز کی مدد سے تیار کئے گئے ہیں۔ این مینوئلز میں ہرڈ پارٹمنٹ کے لحاظ سے کام کے بہاؤ، ہر سرگرمی پر کنٹرولز کی تفصیلات اور قانونی اور آپریشنل امور پر عمل درآمد کی ضروریات درج ہیں۔

اندرونی کنٹرول کا نظام مستحکم طور پر ڈیزائن کیا گیا ہے اور موثر طور پر زیر عمل اور زیر نگرانی رہتا ہے۔ سسٹم کی مستقل نگرانی انٹرنل آڈٹ کی جانب سے اور ایسے تمام دیگر نگرانی کے طریقہ کار کے ذریعے کی جاتی ہے۔ انٹرنل کنٹرول کی نگرانی کا مکمل کنٹرولز کے نظام کو مزید مستحکم بنانے کے مقصد کے ساتھ ایک جاری عمل کے طور پر جاری و ساری رہے گا۔

اکاؤنٹنگ کی پالیسیاں

اکاؤنٹنگ کی درست پالیسیاں مالیاتی حسابات اور اکاؤنٹنگ کے تخمینہ جات کی تیاری میں مستقل طور پر لاگو کی جاتی ہیں ماسوائے ان تبدیلیوں کے جیسا کہ مالیاتی حسابات کے نوٹس میں واضح کر دیا گیا ہے۔ اکاؤنٹنگ کی پالیسیاں موزوں اور محتاط فیصلوں پر مبنی ہوتی ہیں۔

انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز، جیسا کہ پاکستان میں مروج ہیں، ان کو مالیاتی حسابات کی تیاری میں ملحوظ خاطر رکھا جاتا ہے۔

مالیاتی حسابات کے آڈٹ ایکٹرٹل آڈیٹرز کے ذریعے کرائے جاتے ہیں جیسا کہ مقامی قانون کے تحت لازم ہے۔

اندرونی مالیاتی کنٹرولز کے سلسلے میں ڈائریکٹرز کی ذمہ داری

بورڈ آف ڈائریکٹرز (بی اے سی) کا تقرر کیا گیا ہے جو پانچ ڈائریکٹرز پر مشتمل ہے، ان میں دو خود مختار ڈائریکٹرز شامل ہیں۔

کوڈ آف کارپوریٹ گورننس کی شرائط کے مطابق (بی اے سی) کی صدارت خود مختار ڈائریکٹر کرتا ہے اور اس کی ٹرمز آف ریفرنس کا تعین بورڈ آف ڈائریکٹرز کی جانب سے کوڈ آف کارپوریٹ گورننس کی فراہم کردہ رہنما ہدایات کے مطابق کیا جاتا ہے۔ ان ٹرمز آف ریفرنس مالیاتی حسابات سے متعلق امور انٹرنل کنٹرول اور کارپوریٹ گورننس کی نگرانی میں شامل ہے لیکن یہ صرف ان معمولات کی حد تک محدود نہیں۔

مالیاتی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان مالیاتی پوزیشن پر اثر انداز ہونے والی نمایاں تبدیلیاں

مالیاتی سال کے اختتام اور ڈائریکٹرز کی رپورٹ کی تاریخ کے درمیان مالیاتی پوزیشن پر اثر انداز ہونے والی نمایاں تبدیلیاں، اگر کوئی ہیں، تو وہ اس رپورٹ کے ساتھ سالانہ آڈٹ شدہ مالیاتی گوشوارے میں درج ہیں۔

حفاظت، صحت اور ماحولیات

حفاظت، صحت اور ماحولیات (SHE) کمپنی کی اولین ترجیحات میں شامل ہے۔ بیرونی اعلیٰ ترین معیار اور اس کی شرائط پر عمل درآمد کو یقینی بنانے کیلئے خصوصی انداز اور مضبوط پروگرام تیار کیا گیا ہے تاکہ ہمارے ملازمین تحفظ کے بہترین معیار کے ساتھ کام انجام دے سکیں۔

ایک کارپوریٹ شہری کی حیثیت سے ہم اپنا کردار بخوبی سمجھتے ہیں اور ان پہلوؤں کے لئے اپنی ترقی پذیر محسوس کرتے ہیں۔

اپنے تمام کاروباری آپریشنز میں ہم خصوصی پروگرام پر عمل درآمد کرتے ہیں جو نہ صرف لاگو عمل درآمد کے عناصر کی شرائط کے مطابق ترتیب دیئے گئے ہیں بلکہ ماحول اور کمیونٹی پر خداشات کو کم سے کم بھی کرتا ہے۔ لاگو منجنت سسٹم ہمارے مضبوط حکمت عملی میں ریڈھ کی ہڈی کی طرح ہیں جس کے مطابق معیاری معمولات اور طریقہ کار کی کڑی نگرانی کی جاتی ہے تاکہ

ڈائریکٹرز کی رپورٹ برائے شیئر ہولڈرز

کمپنی کے ڈائریکٹرز 31 دسمبر 2019 کو ختم ہونے والے سال کی جائزہ رپورٹ مع کمپنی کے آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

کمپنی حفاظت، صحت اور ماحولیات (SHE) کے تقاضوں پر پابند رہی۔

بازار اور کاروبار کا جائزہ

موجودہ کاروباری اور معاشی صورتحال نے مقامی صنعتوں کے بڑے شعبوں کو بڑا دھچکا دیا، جس میں خاص طور پر طلب میں کمی، کاروباری اخراجات میں اضافہ اور مالیاتی لاگت میں اضافہ شامل ہے۔

کمپنی کو پہلے 9 ماہ میں مضبوط مخالف ہواؤں کا سامنا کرنا پڑا اور جون 2019 میں ٹیکس کے قوانین میں تبدیلی کے بھی منفی اثرات پڑے اور اس کا اثر طلب اور ٹیکس ریٹس پر بھی ہوا۔ ایک تخمینے کے مطابق دوسری ششماہی میں بڑے پیمانے کی مینوفیکچرنگ کمپنیوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 6.5% کمی واقع ہوئی اور BOPP اور CPP کی صنعت کی صورتحال بھی کچھ ایسی ہی رہی۔

کاروبار اور معاشی محاذ پر مشکلات نے ہم پر دباؤ ڈالا کہ ہم پیداواری کارکردگی، جاری سرمایہ کاری اور لاگت میں کمی میں بہتری پر توجہ کے ذریعے اپنے آپ کو بدلتے ہوئے منظر نامے کے حساب سے تبدیلی لائے۔ اس کوشش سے بڑی حد تک گزشتہ سہ ماہی میں کارکردگی بہتر ہوئی اور کمپنی نے تقریباً 90 ملین روپے کا منافع قبل از ٹیکس حاصل کیا جس سے تیسری سہ ماہی تک تقریباً اسی رقم کے نقصان میں کچھ کمی ہوئی۔

مالیاتی جھلکیاں

مجموعی کاروباری حجم گزشتہ سال کی سطح کے برابر رہا۔ مقامی طلب میں کمی کا ازالہ برآمدات سے ہوا لیکن کچھ کم تر مارجن کے ساتھ ہوا۔ زرمبادلہ کے ریٹس میں تبدیلی کے سبب درآمدات کی قیمت میں اضافہ ہوا اور ملک میں افراط زر کے اثر کی وجہ سے اخراجات پر قابو کے علاوہ قیمتوں کو بھی اڈ جسٹ کیا گیا۔ جس کے نتیجے میں اس سال فروخت سے حاصل ہونے والی خالص آمدنی میں گزشتہ سال کے مقابلے میں 11% اضافہ ہوا۔

آپریشن میں بہتری کی وجہ سے معمولی سرمایہ کاری اور مقرر اخراجات پر قابو پایا گیا گزشتہ سال کی اسی مدت کے مقابلے میں 8% زیادہ ہوا۔ فروخت کاری، تقسیم کاری اور انتظامی اخراجات مجموعی طور پر گزشتہ سال کے مقابلے میں 15% زیادہ رہے جس کی بڑی وجہ تیل کی قیمتوں میں گزشتہ سال کے مقابلے اضافہ تھا۔ تاہم ہم نے اپنے نقد غیر مالیاتی مقررہ قیمت کو افراط زر کے باوجود یکساں رکھا۔

مالیاتی لاگت بشمول 61% زیادہ رہی جس کی وجہ SBP پالیسی ریٹ میں 486bps اضافہ تھا۔ بڑھتی ہوئی شرح سود کی وجہ سے جاری سرمایہ کاری کی میجمنٹ پر توجہ ڈالی گئی جس کے نتیجے میں آپریشن سے نقد داخلی بہاؤ 3,576 ملین روپے رہا جو گزشتہ سال نقد خارجی بہاؤ 360 ملین روپے تھا۔

2019 میں نقصان قبل از ٹیکس 19 ملین روپے ہوا جب کہ 2018 میں 220 ملین روپے منافع قبل از ٹیکس تھا۔

ٹیکس چارج گزشتہ سال کے 63 ملین روپے کے مقابلے میں 291 ملین روپے رہے۔ اس کی وجہ ٹیکس قوانین میں تبدیلی تھی جس میں برآمدات کے مرحلے پر کم سے کم ٹیکس ریٹ 1.75% کو اب مکمل اور حتمی چارج برائے ٹیکس کر دیا گیا ہے جس پر متعلقہ اقدار ٹیکس کے سامنے مسلسل احتجاج جاری ہے۔ اس کے علاوہ فنانس ایکٹ 2019-20 کے تحت آنے والے سالوں کیلئے کارپوریٹ ٹیکس کی شرح 29% رکھی گئی ہے جس کے نتیجے میں ٹیکس چارج کا فرق بڑھ گیا ہے اور BMR منافع ختم ہو گیا ہے۔

اس کے نتیجے میں گزشتہ سال کے 157 ملین روپے بعد از ٹیکس منافع کے مقابلے میں اس سال 310 ملین روپے نقصان بعد از ٹیکس ہوا۔

اہم مالیاتی نکات درج ذیل ہیں:

2018	2019
47,824	44,148
721	4,050
13,224	14,683
1,376	1,490
157	(310)
4.06	(7.98)

منافع مقسمہ:

ڈائریکٹرز نے 0 فیصد نقد منافع مقسمہ یعنی Nil روپے فی شیئر کی تجویز کی ہے (2018: 4 روپے فی شیئر)

ڈائریکٹرز کے دوران کی کمیٹیوں کے ممبران کے نام:















بورڈ کی کمیٹیوں کے ممبران کے نام سالانہ رپورٹ کے صفحہ 21 پر کمپنی معلومات سیکشن میں درج ہیں۔



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Proxy Form



Tri-Pack Films Limited

28th Annual General Meeting

I/We _____ of _____

_____ being a member of Tri-Pack Films Limited

and holder of _____ Ordinary Shares as per **Share Register Folio No.** _____ and/or **CDC Participant I.D. No.** _____ and **Sub Account**
(Number of Shares)

No. _____ hereby appoint _____ of _____ or failing him/her _____ of _____ or failing him/her _____ of _____ as my proxy to vote for me and on my behalf at the Annual General Meeting of the Company to be held on Tuesday, April 14, 2020 at 10.30 a.m. at the Beach Luxury Hotel, Moulvi Tamizuddin Khan Road, Karachi and at any adjournment thereof.

Signed thisday of.....2020

WITNESSES:

Signature

1. Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No: _____

Signature

2. Signature: _____

Name: _____

Address: _____

CNIC or _____

Passport No: _____

Note:

Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy need not be a member of the Company.

CDC Shareholders and their Proxies are requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

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Tri-Pack Films Limited

تشکیل نیابت داری

28 واں سالانہ اجلاس عام

میں / ہم _____
 ساکن _____ بطور ٹرائی پک فلمز لمیٹڈ
 رکن و حامل _____ عام حصص بمطابق شیئر رجسٹرڈ فولیو نمبر _____ اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر _____
 اور ذیلی کھاتہ نمبر _____ ساکن جناب _____ ساکن جناب _____
 یا بصورت دیگر جناب _____ ساکن جناب _____

کو اپنی جگہ بروز منگل مورخہ 14 اپریل 2020 بوقت 10:30 بجے صبح بمقام نیچ لکھنری ہوٹل مولوی تمیز الدین خان روڈ کراچی میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا / کرتی ہوں۔

دستخط کیے گئے مورخہ _____ 2020

گواہان:

دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

دستخط: _____

نام: _____

پتہ: _____

سی این آئی سی یا پاسپورٹ نمبر: _____

دستخط: _____

نوٹ:

پراکسیز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹہ قبل کمپنی کو موصول ہو۔ نیابت دار کا کمپنی کارکن ہونا ضروری نہیں ہے۔

سی ڈی سی کے حصص داران اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹر انزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پر کسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

The Company Secretary:
Tri-Pack Films Limited
4th Floor, The Forum, Suite No. 416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami,
Karachi-75600, Pakistan.

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Tri-Pack Films Limited

Registered Office:

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Khayaban-e-Jami, Karachi-75600, Pakistan.
Tel: 92 21-3587 4047-49, 3583 1618
Fax: 92 21-3586 0251

www.tripack.com.pk