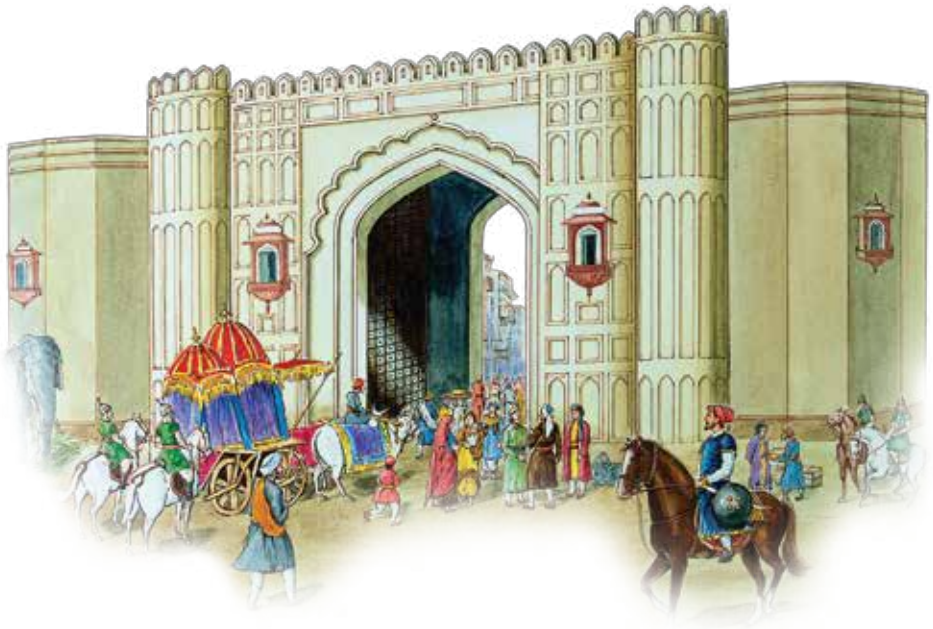




Tri-Pack Films Limited



Entering Gates of Excellence

Quarterly Report September, 2021

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Company Information

Board of Directors

Syed Babar Ali (Chairman)
Syed Hyder Ali*
Mr. Khurram Raza Bakhtayari
Ms. Nermeen Towfiq Chinoy
Mr. Yohei Shiimoto
Mr. Yukio Hayasawa
Mr. Asif Qadir

Chief Executive Officer

Mr. Nasir Jamal

Audit Committee

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

Executive Committee

Mr. Yohei Shiimoto (Chairman)
Syed Hyder Ali*
Mr. Khurram Raza Bakhtayari

Human Resource and Remuneration Committee

Mr. Asif Qadir (Chairman)
Mr. Khurram Raza Bakhtayari
Mr. Yohei Shiimoto

Chief Financial Officer

Mr. Muhammad Zuhair Damani

Company Secretary

Ms. Arjumand Ahmed Shah

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
Bank Islami 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 surname

Directors' Review

For the Nine Months Ended September 30, 2021

The Directors are pleased to present their review report together with the un-audited condensed interim financial information of the Company for the nine months ended September 30, 2021.

Commitment to and compliance with the Safety, Health and Environment (SHE) policies, procedures and regulation remained our major priority. The Company has been awarded 'Annual Environment Excellence Award' from National Forum for Environment and Health reflecting our progress in this domain.

We have also been graced with 'Diamond Employer Award' from Employer Federation of Pakistan and 'Best Corporate Reporting Award' from ICAP/ICMAP.

	Nine Months ended September 30	
	2021	2020
Sales Volume (M. Tonnes)	34,891	35,228
Revenue (Rs M)	13,890	10,954
Operating profit (Rs M)	1,711	1,002
Interest cost (Rs M)	359	457
Exchange loss (Rs M)	189	199
Profit before tax (Rs M)	1,176	354
Profit after tax (Rs M)	833	254
Earnings per share (Rs)	21.47	6.55

Raw material availability and prices remained a major challenge coupled with global supply chain issues. Current quarter witnessed increase in raw material prices, emanating primarily from feedstock availability issues in the Middle East. Sales volumes were significantly higher in Q3 2021 owing to fully operational markets and healthy buying trend compared to Q2 2021. Overall volumes for the nine months were in line with same period last year. However, revenue was higher on account of higher raw material prices. Gross profit margins have normalized during the quarter compared to H1 2021.

Distribution and administrative expenses were lower as compared to SPLY despite inflationary pressures. The Company achieved operating profit of Rs 1,711 million compared to Rs 1,002 million in the same period last year.

PKR devaluation in Q3 2021 led to major exchange loss which was recorded at Rs 189 million for the nine months period ended September 30, 2021 compared to Rs 199 million for the same period last year. The Company posted a profit before tax of Rs 1,176 million and profit after tax of Rs 833 million compared to Rs 354 million and Rs 254 million made in the corresponding period last year respectively.

Future Outlook

Raw material supplies, global logistics issues and PKR devaluation are expected to remain challenging in the remainder of the year. We are taking all the necessary measures to minimize the impacts.

The expansion project of the Company is progressing as per the plans / timelines.



Nasir Jamal

Chief Executive Officer

Karachi, October 21, 2021

Condensed Interim Statement of Financial Position

As at September 30, 2021

		(Un-audited) September 30	(Audited) December 31
	Note	2021	2020
ASSETS			
NON CURRENT ASSETS			
(Rupees in thousand)			
Property, plant and equipment	5	6,829,080	6,825,355
Right-of-use asset	6	192,907	197,155
Intangibles		8,828	10,946
Long term deposits		6,983	6,288
		<u>7,037,798</u>	<u>7,039,744</u>
CURRENT ASSETS			
Inventories	7	3,708,881	2,464,747
Trade receivables		2,415,332	1,696,150
Advances and prepayments	8	190,990	91,901
Other receivables		277,942	234,054
Refunds due from government - sales tax		243,944	240,160
Income tax refundable		1,337,666	1,248,996
Cash and bank balances		345,956	137,358
		<u>8,520,711</u>	<u>6,113,366</u>
TOTAL ASSETS		<u>15,558,509</u>	<u>13,153,110</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		388,000	388,000
Share premium		999,107	999,107
General reserve		1,605,000	1,605,000
Unappropriated profit		1,522,992	883,818
		<u>4,515,099</u>	<u>3,875,925</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term borrowings	10	1,947,003	2,123,085
Deferred income - Government grant	11	159,877	18,394
Long term lease liability		31,824	31,569
Deferred taxation - net		360,218	219,301
Provision for Gas Infrastructure Development Cess		418,157	529,844
Staff retirement benefits		61,916	58,417
Accumulated compensated absences		33,662	31,804
		<u>3,012,657</u>	<u>3,012,414</u>
CURRENT LIABILITIES			
Trade and other payables	12	4,217,864	3,651,099
Unclaimed dividend		18,246	16,732
Accrued mark-up		69,309	122,467
Short term borrowings	13	3,289,819	2,179,556
Current portion of long term lease liability		3,083	3,131
Current portion of long term borrowings	10	432,432	291,786
		<u>8,030,753</u>	<u>6,264,771</u>
TOTAL LIABILITIES		<u>11,043,410</u>	<u>9,277,185</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	14	<u>15,558,509</u>	<u>13,153,110</u>

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Nasir Jamal

Chief Executive Officer

04

Tri-Pack Films Limited



Asif Qadir

Director



Muhammad Zuhair Damani

Chief Financial Officer

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income

For the Nine Months Ended September 30, 2021 - (Un-audited)

		Quarter ended September 30		Nine Months ended September 30	
	Note	2021	2020	2021	2020
(Rupees in thousand)					
Revenue from contracts with customers	15	5,325,331	4,285,342	13,889,834	10,953,773
Cost of sales		(4,626,193)	(3,649,420)	(11,544,129)	(9,315,496)
Gross profit		699,138	635,922	2,345,705	1,638,277
Distribution costs		(131,472)	(119,886)	(355,868)	(349,647)
Administrative expenses		(70,775)	(98,883)	(278,888)	(286,816)
		(202,247)	(218,769)	(634,756)	(636,463)
Operating profit		496,891	417,153	1,710,949	1,001,814
Other income		60,704	9,984	113,628	34,826
		557,595	427,137	1,824,577	1,036,640
Other expenses		(21,726)	(18,562)	(101,015)	(26,939)
Finance cost	16	(258,477)	(158,831)	(547,641)	(656,123)
		(280,203)	(177,393)	(648,656)	(683,062)
Profit before income tax		277,392	249,744	1,175,921	353,578
Income tax - net	17	(81,348)	(60,731)	(342,747)	(99,407)
Profit for the period		196,044	189,013	833,174	254,171
Earnings per share - basic and diluted (Rupees)	18	5.05	4.87	21.47	6.55

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the Nine Months Ended September 30, 2021 - (Un-audited)

	Issued, subscribed and paid up share capital	Reserves			Total Reserves	Total
		Capital	Revenue			
		Share Premium	General reserve	Unappro- priated profit		
(Rupees in thousand)						
Balance as at January 1, 2020	388,000	999,107	1,605,000	267,253	2,871,360	3,259,360
Total comprehensive income for the nine months ended September 30, 2020						
- Profit for the nine months ended September 30, 2020	-	-	-	254,171	254,171	254,171
- Other comprehensive income for the nine months ended September 30, 2020	-	-	-	-	-	-
	-	-	-	254,171	254,171	254,171
Balance as at September 30, 2020	388,000	999,107	1,605,000	521,424	3,125,531	3,513,531
Balance as at January 1, 2021	388,000	999,107	1,605,000	883,818	3,487,925	3,875,925
Final cash dividend for the year ended December 31, 2020 @ Rs. 5.00 per share						
	-	-	-	(194,000)	(194,000)	(194,000)
Total comprehensive income for the nine months ended September 30, 2021						
- Profit for the nine months ended September 30, 2021	-	-	-	833,174	833,174	833,174
- Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	-
	-	-	-	833,174	833,174	833,174
Balance as at September 30, 2021	388,000	999,107	1,605,000	1,522,992	4,127,099	4,515,099

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Chief Financial Officer

Condensed Interim Statement of Cash Flows

For the Nine Months Ended September 30, 2021 - (Un-audited)

		Nine Months ended September 30	
	Note	2021	2020
(Rupees in thousand)			
Cash flows from operating activities			
Cash generated from operations	20	522,010	(450,182)
Payment on account of accumulated compensated absences		(3,542)	(3,441)
(Increase) / decrease in long term deposits		(695)	3,958
Staff retirement benefits paid		(56,792)	(51,966)
Income taxes paid - net		(290,500)	(228,265)
Net cash generated from / (used in) operating activities		170,481	(729,896)
Cash flows from investing activities			
Purchase of property, plant and equipment		(583,687)	(1,404,073)
Purchase of intangible assets		(3,866)	(674)
Profit received on bank balances		901	1,651
Sale proceeds on disposal of operating fixed assets		36	2,018
Net cash used in investing activities		(586,616)	(1,401,078)
Cash flows from financing activities			
Long term borrowings paid		(428,041)	(250,000)
Long term borrowings acquired		570,446	1,225,454
Short term borrowings - net		730,000	(278,000)
Finance cost paid		(318,622)	(424,751)
Dividend paid		(192,486)	(235)
Transaction cost paid	8	(76,452)	-
Bank charges paid		(40,375)	(20,442)
Net cash generated from financing activities		244,470	252,026
Net decrease in cash and cash equivalents		(171,665)	(1,878,948)
Cash and cash equivalents at the beginning of the period		(1,522,198)	(2,206,202)
Cash and cash equivalents at the end of the period	21	(1,693,863)	(4,085,150)

The annexed notes 1 to 23 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Statements

For the Nine Months Ended September 30, 2021 - (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Tri-Pack Films Limited (the Company) was incorporated in Pakistan as a public limited company on April 29, 1993 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017) and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. 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.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements of the Company have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

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

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and, therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2020.

2.2 Changes in accounting standards, interpretations and amendments

- a) Standards and amendments to approved accounting and reporting standards that are effective

There are certain amendments and interpretations to the accounting and reporting standards which are mandatory for the Company's annual accounting period which began on January 1, 2021. However, these do not have any significant impact on the Company's financial reporting.

- b) Standards and amendments to approved accounting and reporting standards that are not yet effective

There are certain amendments and interpretations to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2022. However, these will not have any impact on the Company's financial reporting and, therefore, have not been disclosed in these condensed interim financial statements.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgements and estimates made by the management in the preparation of these condensed interim financial statements are the same as those that were applied to annual audited financial statements for the year ended December 31, 2020.

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2020.

4. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended December 31, 2020.

5. PROPERTY, PLANT AND EQUIPMENT

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

(Un-audited) September 30	(Audited) December 31
2021	2020
(Rupees in thousand)	
5,900,996	6,250,492
885,008	507,878
43,076	66,985
<u>6,829,080</u>	<u>6,825,355</u>

5.1 Additions and disposals to operating fixed assets and major spare parts during the period are as follows:

	Additions/Transfer from CWIP (at cost)		Disposals/Transfer (at net book value)	
	September 30 2021	September 30 2020	September 30 2021	September 30 2020
(Rupees in thousand)				
Buildings and other civil work on leasehold land	14,579	25,540	-	-
Plant and machinery	206,849	1,121,919	-	-
Furniture and fittings	2,980	8,357	36	22
Office and other equipment	7,436	9,956	-	45
Vehicle	435	51	-	-
Major spare parts and stand by equipment	-	1,015	23,909	1,057
	<u>232,279</u>	<u>1,166,838</u>	<u>23,945</u>	<u>1,124</u>

6. RIGHT-OF-USE ASSET

Right-of-use asset
Depreciation for the period / year
Net book value

(Un-audited) September 30	(Audited) December 31
2021	2020
(Rupees in thousand)	
197,155	202,819
(4,248)	(5,664)
<u>192,907</u>	<u>197,155</u>

	(Un-audited) September 30	(Audited) December 31
	2021	2020
	(Rupees in thousand)	
7. INVENTORIES		
Stores and spares	593,464	573,788
Raw materials		
In hand	1,015,037	851,372
In transit	1,266,434	298,990
	2,281,471	1,150,362
Less: Provision for obsolescence	(64,484)	(64,484)
	2,810,451	1,659,666
Packing materials	31,202	37,846
Work in process	337,800	350,386
Finished goods	529,428	416,849
	3,708,881	2,464,747

8. ADVANCES AND PREPAYMENTS

- 8.1** These include Rs 26.9 million pertaining to the transaction cost (representing commission and fee paid to the adviser and bank) in respect of financing facilities entered into principally but not yet availed. It is classified as prepayment under IFRS 9 - Financial Instruments and would be netted against the loan drawn down and would affect the effective interest rate of the financial liability as it is directly attributable to the acquisition of financial liability.
- 8.2** These also include Rs. 5.01 million (December 31, 2020: Rs. 43.47 million) in respect of advances against import of raw material and spares.

9. SHARE CAPITAL

During the period, Packages Limited and Mitsubishi Corporation have agreed for the purchase and sell of 7,500,000 shares respectively of the Company under the share purchase agreement (representing 19.33% of the total issued paid up capital of the Company). Further in accordance with the provision of Securities Act 2015 and Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 intention of public offer for purchase of shares is also being made by Packages Limited.

10. LONG TERM BORROWINGS

During the period, the Company has entered into / agreed to the following arrangements;

- A syndicate long term loan agreement amounting to Rs. 2.5 billion. The arrangement is financed under the Temporary Economic Refinance Facility by the State Bank of Pakistan, having a concessional coupon rate of 1% with a spread of 1.4% which is repayable in thirty two equal quarterly instalments after a grace period of 2 years. The loan has been obtained to finance the acquisition of new BOPP Line. Out of total facility amounting to Rs. 2.5 billion, the Company has drawdown Rs. 365.27 million as at September 30, 2021. The Company has paid Rs. 21.70 million on account of transaction cost, which has been adjusted against the present value of financial liability calculated by discounting the future cashflows at market interest rate.
- A refinancing agreement amounting to Rs. 157.19 million in order to refinance the acquisition of machinery under the Temporary Economic Refinance Facility by the State Bank of Pakistan at concessional coupon rate of 1% with a spread of 0.75%.

The above mentioned loans amounting to Rs. 365.27 million and Rs. 157.19 million have been discounted using market interest rate and the difference between the respective fair values and proceeds received has been recorded as deferred government grant (as disclosed in Note 11.1).

- A conventional Long Term Loan agreement amounting to Rs. 4 billion (including a sub-limit of Rs. 1 billion being under Long Term Finance Facility by State Bank of Pakistan). The loan is repayable in thirty two equal quarterly instalments after a grace period of 2 years. The loan has been obtained to finance the acquisition of new BOPP Line. Out of total facility amounting to Rs. 4 billion, the Company has drawdown Rs. 48.03 million as at September 30, 2021. The Company has paid Rs. 27.85 million on account of transaction cost, which has been adjusted against the present value of financial liability calculated by discounting the future cashflows at market interest rate.
- In addition to the above facilities, the Company has principally agreed to a Long Term Finance Facility amounting to Rs. 4 billion to finance the acquisition of new BOPP Line. The Company has paid Rs. 26.9 million on account of transaction cost, which is capitalized as an asset under IFRS 9 - Financial Instruments (as disclosed in Note 8.1).

		(Un-audited) September 30	(Audited) December 31
Note		2021	2020
(Rupees in thousand)			
Balance as at January 1		18,394	-
Deferred grant recognised during the period / year	11.1	153,941	19,994
Government Grant recognised in capital work in progress		(3,402)	-
Government grant amortised during the period / year		(9,056)	(1,600)
		<u>159,877</u>	<u>18,394</u>

11.1 This represents grant related to new subsidized loan obtained under Temporary Economic Refinance Facility by State Bank of Pakistan at a concessional rate of 1% plus spread.

12. TRADE AND OTHER PAYABLES

These include Rs. 321.17 million (December 31, 2020: Rs. 263.36 million) levied through The Sindh development and maintenance of Infrastructure Cess, 2017, which superseded the previous levy under Sindh Finance Act, 1994. During the period, the Sindh High Court has decided the matter in the favour of provincial legislature and upheld the infrastructure levy. The Company contested the matter in the Supreme Court of Pakistan. The Supreme Court has suspended the Sindh High Court's judgement till further notice.

		(Un-audited) September 30	(Audited) December 31
13. SHORT TERM BORROWINGS	Note	2021	2020
		(Rupees in thousand)	
Secured			
Short term money market loans	13.1 & 13.2	1,250,000	520,000
Short term running finance	13.3 & 13.4	2,039,819	1,659,556
		3,289,819	2,179,556
		(Un-audited) September 30	(Audited) December 31
		2021	2020
		(Rupees in thousand)	

13.1 Following are the changes in the short term money market loans:

Balance as at January 1	520,000	1,148,000
Utilisation during the period	4,970,000	7,570,000
Repayment	(4,240,000)	(8,198,000)
	<u>1,250,000</u>	<u>520,000</u>

- 13.2** 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 ranged between 7.38% to 7.95% (December 31, 2020: 7.61% to 14%) per annum. These facilities are available for a maximum period of one year from the date of agreement with the latest facility expiring on May 31, 2022.
- 13.3** Short term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to July 31, 2022. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock in trade and trade debts. Rate of mark-up applicable to these facilities ranged between 7.5% to 9.28% (December 31, 2020: 7.46% to 15.41%).
- 13.4** Total short-term facilities available under mark-up arrangements aggregated Rs. 6,260 million (December 31, 2020: Rs. 6,260 million) out of which the amount unavailed at the period end was Rs. 2,957 million (December 31, 2020: Rs. 4,080 million).

14. CONTINGENCIES AND COMMITMENTS

14.1 Contingencies

There has been no significant changes during the period in the contingencies reported in the annual audited financial statements for the year ended December 31, 2020 except as disclosed below.

During the period Appellate Tribunal Inland Revenue (ATIR) has disposed off the appeals in favour of the Company allowing the provisions of post retirement benefits amounting Rs. 6.81 million, Rs. 17.62 million and Rs 22.11 million for tax years 2008, 2010 and 2011 respectively.

14.2 Commitments

- for purchase of raw materials and spares
- for capital expenditure
- for ijarah arrangements of motor vehicles

(Un-audited) September 30	(Audited) December 31
2021	2020
(Rupees in thousand)	
448,049	741,918
2,850,330	175,660
17,720	18,712

The facilities for opening of letter of credits and for guarantees as at September 30, 2021 amounts to Rs. 12.75 billion (December 31, 2020: Rs. 10.25 billion) and Rs. 1.25 billion (December 31, 2020: Rs. 1.12 billion) respectively, of which the amount unutilized was Rs.10.04 billion (December 31, 2020: Rs. 7.92 billion) and Rs. 0.59 billion (December 31, 2020: Rs. 0.62 billion) respectively.

15. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Un-audited)			
	Quarter ended September 30		Nine Months ended September 30	
	2021	2020	2021	2020
(Rupees in thousand)				
Sale of goods less returns:				
- Local	5,936,995	4,705,604	15,660,374	12,159,626
Less: Discounts	(128,968)	(70,255)	(237,854)	(194,549)
Sales tax	(853,364)	(691,781)	(2,304,944)	(1,784,779)
	4,954,663	3,943,568	13,117,576	10,180,298
- Export	370,668	341,774	772,258	773,475
	5,325,331	4,285,342	13,889,834	10,953,773

16. FINANCE COST

This also includes financial charges on short term borrowings and long term borrowings amounting to Rs. 153.28 million (September 2020: Rs. 316.04 million) and Rs. 129.85 million (September 2020: Rs. 117.12 million) respectively.

This includes a net amount of Rs. 188.90 million (September 2020: Rs. 199.09 million) in respect of exchange loss.

17. INCOME TAX - NET

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate applicable for the full financial year.

18. EARNINGS PER SHARE

		(Un-audited)			
		Quarter ended September 30		Nine Months ended September 30	
		2021	2020	2021	2020
Profit after taxation attributable to ordinary shareholders		(Rupees in thousand)			
		196,044	189,013	833,174	254,171
Weighted average number of ordinary shares outstanding at the end of the period		(No. of shares in thousand)			
		38,800	38,800	38,800	38,800
Earnings per share - basic and diluted	5.05	(Rupees)			
		4.87	21.47	6.55	

18.1 There were no convertible dilutive potential ordinary shares outstanding on September 30, 2021 and 2020.

19. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as follows:

		(Un-audited)	
		Nine Months ended September 30	
Nature of transaction	Nature of relationship	2021	2020
(Rupees in thousand)			
Purchase of goods and services	Associated undertaking	148,577	148,799
Sale of goods and services	Associated undertaking	1,892,238	1,645,405
Donations	Associated undertaking	13,144	-
Dividend paid	Associated undertaking and Directorship	129,994	-
Contributions to staff retirement benefit funds	Retirement benefit funds	54,792	51,966
Salaries and other short term employees' benefits	Key management personnel	88,158	76,072

20. CASH GENERATED FROM OPERATIONS

		(Un-audited)	
		Nine Months ended September 30	
Note		2021	2020
		(Rupees in thousand)	
	Profit before income tax	1,175,921	353,578
	Adjustment for non-cash charges and other items:		
	Depreciation	585,378	499,756
	Amortization expense	5,984	4,793
	Amortization of Provision for Gas Infrastructure Development Cess	31,645	-
	Provision for staff retirement benefits	60,291	56,453
	Profit on bank balances	(901)	(1,651)
	Gain on disposal of operating fixed assets	-	(2,018)
	Provision for accumulated compensated absences - net	5,400	6,751
	Government grant recognised in income	(9,056)	-
	Exchange loss - unrealised	58,977	16,527
	Finance cost	327,092	457,027
	Gain on remeasurement of provision for Gas Infrastructure Development Cess	(3,360)	-
20.1	Working capital changes	(1,715,361)	(1,841,398)
		<u>522,010</u>	<u>(450,182)</u>
20.1	Working capital changes		
	Increase in current assets:		
	Inventories	(1,244,134)	(304,032)
	Trade debts - net	(719,182)	(283,160)
	Advances and prepayments	(72,189)	(61,650)
	Refunds due from government - sales tax	(3,784)	(152,117)
	Other receivables	(43,888)	(23,401)
		<u>(2,083,177)</u>	<u>(824,360)</u>
	Increase / (decrease) in trade and other payables	<u>367,816</u>	<u>(1,017,038)</u>
		<u>(1,715,361)</u>	<u>(1,841,398)</u>

21. CASH AND CASH EQUIVALENTS

Cash and bank balances	345,956	88,756
Short term running finance	<u>(2,039,819)</u>	<u>(4,173,906)</u>
	<u>(1,693,863)</u>	<u>(4,085,150)</u>

22. PLANT CAPACITY AND ACTUAL PRODUCTION

		(Un-audited)	
		Nine Months ended September 30	
		2021	2020
		(Metric tonnes)	
	Operational capacity available during the period	<u>62,850</u>	<u>62,850</u>
	Production	<u>34,722</u>	<u>35,579</u>

23. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on 21 October, 2021 by the Board of Directors of the Company.



Nasir Jamal
Chief Executive Officer



Asif Qadir
Director



Muhammad Zuhair Damani
Chief Financial Officer

ڈائریکٹرز کا جائزہ

برائے نومبر 30 ستمبر 2021

کمپنی کے ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والے نو ماہ کے لئے کمپنی کی جائزہ رپورٹ مع غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ حفاظت، صحت اور ماحولیات (SHE) کی پالیسیز، طریقہ کار اور ضوابط پر کاربند رہنے کا عزم اور ان کی پیروی ہماری اولین ترجیح رہی۔ کمپنی کو نیشنل فورم فار انوائرنمنٹ اینڈ سیلہ کے جانب سے انیول (annual) انوائرنمنٹ ایکسلنس ایوارڈ دیا گیا جو اس شعبہ میں ہماری ترقی کا ضامن ہے۔

ششماہی مختصر 30 ستمبر

2020	2021
35,228	34,891
10,954	13,890
1,002	1,711
457	359
199	189
354	1,176
254	833
6.55	21.47

فروخت کا حجم (میٹرک ٹن)
فروخت سے حاصل ہونے والی خالص آمدنی (ملین روپے)
آپریٹنگ منافع (ملین روپے)
مالیاتی لاگت (ملین روپے)
زرمبادلہ کا نقصان (ملین روپے)
منافع قبل از ٹیکس (ملین روپے)
منافع بعد از ٹیکس (ملین روپے)
آمدنی فی حصہ (روپے)

خام مال کی دستیابی اور قیمتوں کے ساتھ ساتھ عالمی سپلائی چین کے مسائل ایک بڑا چیلنج رہا۔ موجودہ سہ ماہی میں خام مال کی قیمتوں میں اضافہ دیکھا گیا جو بنیادی طور پر مشرق وسطیٰ میں فیڈ اسٹاک کی دستیابی کی وجہ سے آئیہ تیسری سہ ماہی میں فروخت کا حجم نمایاں طور پر زیادہ رہا جس کی وجہ 2021 کی دوسری سہ ماہی کے مقابلے میں مارکیٹس کا مکمل آپریشن ہونا اور خریداری میں تیزی ہونا تھی۔ مجموعی طور پر نو ماہ کا حجم گزشتہ سال کی اسی مدت کے برابر رہا۔ تاہم خام مال کی قیمت زیادہ ہونے کے سبب آمدنی میں اضافہ ہوا۔ پہلی ششماہی 2021 کے مقابلے میں رواں سہ ماہی کے دوران میں مجموعی منافع کے مارجن معمول کے مطابق رہے۔

تقسیم کاری اور انتظامی اخراجات افراد طرز کے دہائو کے باوجود گزشتہ سال کی اسی مدت کے مقابلے میں کم ہوئے۔ کمپنی نے 1,711 ملین روپے کا آپریٹنگ منافع کا ہدف حاصل کر لیا جو گزشتہ سال کی اسی مدت میں 1,002 ملین روپے تھا۔

2021 کی تیسری سہ ماہی میں پاکستانی روپے کی قدر میں کمی سے 30 ستمبر 2021 کو ختم ہونے والے نو ماہ میں زرمبادلہ میں 189 ملین روپے کا بڑا نقصان ہوا جب کہ گزشتہ سال اسی عرصے میں 199 ملین روپے نقصان ہوا تھا۔ کمپنی نے منافع قبل از ٹیکس 1,176 ملین روپے اور منافع بعد از ٹیکس 833 ملین روپے پوسٹ کیا جو کہ گزشتہ سال اسی عرصے میں بالترتیب 354 ملین روپے اور 254 ملین روپے تھا۔

مستقبل کا منظر نامہ

خام مال کی سپلائی عالمی لاجسٹکس کے مسائل اور پاکستانی روپے کی قدر میں کمی کے مسائل سال کی بقیہ مدت میں جاری رہنے کی توقع ہے۔ ہم اس کے اثرات کو کم سے کم کرنے کے لئے تمام ضروری اقدامات کر رہے ہیں۔

کمپنی کا توسیعی منصوبہ پلان مقررہ وقت کے مطابق جاری ہے۔



ناصر جمال
چیف ایگزیکٹو آفیسر








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