



Tri-Pack Films Limited

Navigating challenges with agility

Quarterly Report
March, 2024



Contents

- 02 Company Information
- 03 Directors' Review
- 04 Condensed Interim Statement of Financial Position (Un-audited)
- 05 Condensed Interim Statement of Profit or Loss and Other Comprehensive Income (Un-audited)
- 06 Condensed Interim Statement of Changes in Equity (Un-audited)
- 07 Condensed Interim Statement of Cash Flows (Un-audited)
- 08 Notes to and forming part of the Condensed Interim Financial Information (Un-audited)
- 15 Directors' Review (Urdu Version)

Company Information

Board of Directors*

Syed Babar Ali	- Chairman
Mr. Asghar Abbas	- Non-Executive
Syed Hyder Ali	- Non-Executive
Mr. Khurram Raza Bakhtayari	- Non-Executive
Ms. Nermeen Towfiq Chinoy	- Independent
Mr. Asif Qadir	- Non-Executive
Mr. Saquib Hussain Shirazi	- Independent
Mr. Nasir Jamal	- Deemed Director

Chief Executive Officer

Mr. Nasir Jamal

Audit Committee

Ms. Nermeen Towfiq Chinoy	- Chairperson
Mr. Khurram Raza Bakhtayari	- Member
Mr. Asif Qadir	- Member
Mr. Feroze Polani	- Secretary

Human Resource and Remuneration (HR&R) Committee

Ms. Nermeen Towfiq Chinoy	- Chairperson
Mr. Asghar Abbas	- Member
Mr. Khurram Raza Bakhtayari	- Member
Mr. Nasir Jamal	- Member
Mr. Taimoor Ahmed	- Secretary

Executive Committee

Syed Hyder Ali	- Chairman
Mr. Asghar Abbas	- Member
Mr. Khurram Raza Bakhtayari	- Member
Ms. Iqra Sajjad	- Secretary

Chief Financial Officer

Mr. Muhammad Zuhair Damani

Company Secretary

Ms. Iqra Sajjad

Head of Internal Audit

Mr. Feroz Polani

External Auditors & Advisor

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

Sattar & Sattar

Shares Registrar

FAMCO Share Registration Services (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
Email: info.shares@famcosrs.com

Company Shares Department

Ubaid Hussain / Suman Kishore
Tel: 92-21 35874047-49 Ext Nos: 237 & 233
Email: shares.desk@tripack.com.pk

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 B, Sir Abdullah Haroon Road,
Near Marriott Hotel, Karachi, Sindh
Tel: (021) 35224336-37 Fax: (021) 35224338

Works - Karachi

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

Works & Regional Sales Office - Hattar

Plot No. 68, 69, 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 Road,
Lahore, Punjab
Tel: (042) 35716068-70 Fax: (042) 35716071

Banks

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
JS Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
The Bank of Punjab
United Bank Limited

Investment Company

Pak Kuwait Investment Company (Private)
Limited

* In alphabetical order by surname

Directors' Review

For the Quarter ended March 31, 2024

The Directors are delighted to present their review report together with the un-audited condensed interim financial information of the Company for the quarter ended March 31, 2024.

Commitment to and compliance with the Safety, Health and Environment (SHE) policies, procedures and regulations remained of paramount importance throughout.

Quarter ended March 31

	2024	2023
Sales Volume (M. Tonnes)	12,888	10,227
Net Sales Value - (Rs Million)	6,945	5,886
Operating profit (Rs Million)	359	850
Interest cost (Rs Million)	368	297
Exchange (gain) / loss (Rs Million)	(38)	112
Profit before tax (Rs Million)	63	422
(Loss) / Profit after tax (Rs Million)	(12)	283
(Loss)/ Earnings per share (Rs)	(0.31)	7.29

Total volumes increased by 26% compared to SPLY driven by higher exports as we prepare to enhance our export footprint in the post capacity expansion period in this year. Sales revenue was also higher by 18% for the same reason.

Last year import restriction negatively affected the supply side resultantly prices and margins were higher unlike this year. In addition, due to global slow down international prices and margins are significantly depressed this year and is reflected in our export volumes. Consequently, operating profit was lower by 58% compared to SPLY despite higher volumes and higher sales.

Admin, selling and interest costs are higher due to inflationary pressures and higher policy rates.

The Company posted a profit before tax of Rs. 63 million compared to Rs. 422 million in SPLY.

Under the Income Tax Ordinance, 2001, the tax collected at import stage on raw materials is treated as minimum tax for plastic industry. We would like to seek attention of revenue authorities to address this anomaly as it has increased the cost of doing business irrespective of the profitability.

Resultantly, the Company reported net loss after tax of Rs 12 million compared to net profit after tax of Rs 283 million in SPLY.

Future Outlook

The commissioning of three new BOPP lines would bring challenges in managing volumes and pricing.

The company is dedicatedly working towards ensuring that the project is commissioned as per the time lines. Nonetheless, the project costs have escalated due to uncontrollable factors like Rupee devaluation and high interest rates.

New provincial regulations on plastic packaging materials, proposed FTA with Gulf countries and minimum tax application on plastics are the significant challenges, and adding to the cost of doing business. We urge policymakers to consider the cumulative impact of these factors on the industry's competitiveness in the current economic climate.

We express our immense gratitude to all our stakeholders for their continued support and trust in these trying times.



Nasir Jamal

Chief Executive Officer

Karachi, April 18, 2024

Condensed Interim Statement Of Financial Position

As at March 31, 2024

	Note	(Un-audited)	(Audited)
		March 31	December 31
		2024	2023
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	18,011,060	14,828,915
Intangibles		8,885	10,386
Long-term deposits		25,783	25,783
		<u>18,045,728</u>	<u>14,865,084</u>
CURRENT ASSETS			
Inventories	6	3,955,683	4,446,312
Trade receivables		3,587,596	2,874,497
Advances and prepayments	7	358,982	319,010
Other receivables	9	822,616	1,095,250
Refunds due from government - sales tax	8	2,061,318	1,905,338
Income tax refundable		1,430,262	1,205,006
Cash and bank balances		307,085	1,559,756
		<u>12,523,542</u>	<u>13,405,169</u>
TOTAL ASSETS		<u>30,569,270</u>	<u>28,270,253</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		2,821,642	2,833,686
		<u>5,813,749</u>	<u>5,825,793</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term borrowings		8,501,860	8,040,687
Deferred income - Government grant		358,789	373,175
Lease liability		36,503	36,044
Deferred taxation - net		374,112	387,902
Staff retirement benefits		133,814	127,613
Accumulated compensated absences		45,169	42,112
		<u>9,450,247</u>	<u>9,007,533</u>
CURRENT LIABILITIES			
Trade and other payables	10	7,155,516	7,069,066
Unclaimed dividend		23,423	23,435
Accrued mark-up		353,863	418,262
Short term borrowings	11	6,861,184	4,985,856
Current portion of long term borrowings		906,691	936,631
Current portion of long term lease liability		4,597	3,677
		<u>15,305,274</u>	<u>13,436,927</u>
TOTAL LIABILITIES		<u>24,755,521</u>	<u>22,444,460</u>
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES	12	<u>30,569,270</u>	<u>28,270,253</u>

The annexed notes 1 to 22 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 Profit or Loss and Other Comprehensive Income

For the Quarter Ended March 31, 2024 - (Un-audited)

	Note	Quarter Ended March 31	
		2024	2023
		(Rupees in thousand)	
Revenue from contracts with customers	13	6,945,145	5,885,758
Cost of sales		(6,202,590)	(4,654,696)
Gross profit		742,555	1,231,062
Distribution costs		(229,101)	(197,569)
Administrative expenses		(154,628)	(183,258)
		(383,729)	(380,827)
		358,826	850,235
Loss allowance on trade receivable		(328)	(5,730)
Other income		40,582	18,721
		399,080	863,226
Other expenses		(4,704)	(31,516)
Finance cost - net	14	(330,919)	(409,577)
		(335,623)	(441,093)
Profit before income tax		63,457	422,133
Income tax - net	15	(75,501)	(139,304)
(Loss) / Profit for the period		(12,044)	282,829
Other comprehensive income for the period:			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of staff retirement benefits		-	-
Total comprehensive (loss) / income for the period		(12,044)	282,829
(Loss) / Earnings per share - basic and diluted (Rupees)	16	(0.31)	7.29

The annexed notes 1 to 22 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 Quarter Ended March 31, 2024 - (Un-audited)

	Issued, subscribed and paid up share capital	Reserves			Total Reserves	Total
		Capital	Revenue			
		Share Premium	General reserve	Unappropriated profit		
(Rupees in thousand)						
Balance as at January 1, 2023	388,000	999,107	1,605,000	2,068,875	4,672,982	5,060,982
- Profit for the quarter ended March 31, 2023	-	-	-	282,829	282,829	282,829
- Other comprehensive income for quarter ended March 31, 2023	-	-	-	-	-	-
	-	-	-	282,829	282,829	282,829
Balance as at March 31, 2023	388,000	999,107	1,605,000	2,351,704	4,955,811	5,343,811
Balance as at January 1, 2024	388,000	999,107	1,605,000	2,833,686	5,437,793	5,825,793
Total comprehensive loss for the quarter ended March 31, 2024						
- Loss for the quarter ended March 31, 2024	-	-	-	(12,044)	(12,044)	(12,044)
- Other comprehensive Income for the quarter ended March 31, 2024	-	-	-	-	-	-
	-	-	-	(12,044)	(12,044)	(12,044)
Balance as at March 31, 2024	388,000	999,107	1,605,000	2,821,642	5,425,749	5,813,749

The annexed notes 1 to 22 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 Quarter Ended March 31, 2024 - (Un-audited)

	Note	Quarter Ended March 31	
		2024	2023
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	18	596,737	2,498,301
Payment on account of accumulated compensated absences		(1,603)	(7,248)
Decrease in long term deposits		-	2,250
Staff retirement benefits paid		(21,537)	(22,190)
Income taxes paid - net		(314,547)	(195,565)
Net cash generated from operating activities		<u>259,050</u>	<u>2,275,548</u>
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,919,219)	(309,128)
Purchase of intangibles		-	(3,887)
Profit received on bank balances		8,401	8,520
Sale proceeds on disposal of property plant and equipment		2,636	2,914
Net cash used in investing activities		<u>(2,908,182)</u>	<u>(301,581)</u>
Cash flows from financing activities			
Dividend paid		(12)	(83)
Long term borrowings paid		(285,293)	(96,998)
Long term borrowings acquired		512,131	95,598
Short term borrowings		-	(3,250,500)
Finance cost paid		(679,428)	(251,782)
Lease rental paid		(902)	(7,497)
Transaction cost paid		-	(1,500)
Bank charges paid		(25,363)	(22,094)
Net cash used in financing activities		<u>(478,867)</u>	<u>(3,534,856)</u>
Net decrease in cash and cash equivalents		<u>(3,127,999)</u>	<u>(1,560,889)</u>
Cash and cash equivalents at the beginning of the period		<u>(2,576,100)</u>	330,681
Cash and cash equivalents at the end of the period	19	<u>(5,704,099)</u>	<u>(1,230,208)</u>

The annexed notes 1 to 22 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 Information

For the Quarter Ended March 31, 2024 - (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

1.1 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 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.

1.2 Packages Limited is the parent company, holding 69.3% shares of the Company.

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

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.

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, 2023.

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, 2024. 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 standards and certain other amendments to the accounting and reporting standards which are mandatory for the Company's annual accounting period beginning on or after January 1, 2025. However, these are considered either not to be relevant or not to have any significant impact on the Company's financial statements and operations and, therefore, have not been disclosed in these 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, 2023.

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, 2023.

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, 2023.

5. PROPERTY, PLANT AND EQUIPMENT

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

	(Un-audited) March 31	(Audited) December 31
	2024	2023
	(Rupees in thousand)	
	5,244,417	5,405,000
	12,617,167	9,277,984
	149,476	145,931
	<u>18,011,060</u>	<u>14,828,915</u>

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

	Additions/Transfers from CWIP (at cost)		Disposals/Transfers (at net book value)	
	March 31 2024	March 31 2023	March 31 2024	March 31 2023
	(Rupees in thousand)			
Building and other civil work on leasehold land	-	1,028	-	-
Plant and machinery	32,842	32,973	-	-
Furniture and fittings	950	3,066	164	21
Office and other equipments	5,650	5,707	43	48
Vehicles	-	-	-	604
Major spare parts and stand-by equipment	9,216	-	5,671	-
	-	1,656	-	1,623
	<u>48,658</u>	<u>44,430</u>	<u>5,878</u>	<u>2,296</u>

- 5.2 These include borrowing cost, net of government grant capitalised amounting to Rs. 1,436 million as at March 31, 2024 (December 31, 2023: Rs. 889.08 million).

	(Un-audited) March 31	(Audited) December 31
6. INVENTORIES	2024	2023
	(Rupees in thousand)	
Stores	161,421	172,377
Spares	629,467	596,580
Stores and Spares in transit	4,397	53,489
	<u>795,285</u>	<u>822,446</u>
Less: Provision for obsolescence	<u>(131,520)</u>	<u>(131,520)</u>
	663,765	690,926
Raw materials		
In hand	2,121,099	2,293,434
In transit	418,678	547,357
	<u>2,539,777</u>	<u>2,840,791</u>
Less: Provision for obsolescence	<u>(124,755)</u>	<u>(124,755)</u>
	3,078,787	3,406,962
Packing materials	24,964	43,569
Work in process	595,076	574,466
Finished goods	256,856	421,315
	<u>3,955,683</u>	<u>4,446,312</u>

7. These also include Rs. 219.56 million (December 31, 2023: Rs. 58.10 million) in respect of advances against import of raw material and spares.

8. This includes a refundable amount of Rs. 806.02 million (December 31, 2023: Rs. 1,468.13 million) in respect of sales tax paid on purchase of machinery for the new BOPP line.

9. This includes amounts held by bank under lien against bank guarantees issued on behalf of the Company in respect of Sindh Development and Maintenance of Infrastructure Cess, 2017 as mentioned in the note 18.2 of annual audited financial statements for the year ended December 31, 2023. This also includes amount kept in bank against security submitted to Nazir of the High Court of Sindh in relation to petition filed by the Company in Court against chargeability of Super Tax.

10. TRADE AND OTHER PAYABLES

- 10.1 These include Rs. 594.64 million (December 31, 2023: Rs. 594.64 million) with respect to Gas Infrastructure Development Cess (GIDC). The Company stopped making payments of installements as stay order has been obtained by the Company from the Honorable High Court of Sindh.

- 10.2 These include Rs. 918.44 million (2023: Rs. 762.44 million) levied through The Sindh Development and Maintenance of Infrastructure Cess, 2017, which superseded the previous levy under Sindh Finance Act, 1994. As per order dated September 1, 2021, the Honourable Supreme Court of Pakistan has directed the petitioners to provide 100% bank guarantees towards the Cess liability.

- 10.3 These includes liability for imported goods of Rs. 3,662.97 million (December 31, 2023: Rs. 3,059.49 million)

11. SHORT TERM BORROWINGS	Note	(Un-audited)	(Audited)
		March 31	December 31
		2024	2023
(Rupees in thousand)			
Secured Conventional Financing			
Short term money market loans	11.1 & 11.2	350,000	350,000
Short term running finance	11.3 & 11.5	5,092,268	3,436,728
Secured Islamic Financing			
Short-term istisna cum wakala	11.4	500,000	500,000
Short-term running musharaka	11.4	918,916	699,128
		<u>6,861,184</u>	<u>4,985,856</u>

11.1 Following are the changes in the short term money market loan and istisna cum wakala (i.e for which cash flows have been classified as financing activities in the statement of Cash Flows):

	(Un-audited)	(Audited)
	March 31	December 31
	2024	2023
(Rupees in thousand)		
Balance as at January 1	850,000	3,750,500
Utilisation during the period	850,000	850,000
Repayment	(850,000)	(3,750,500)
Closing balance	<u>850,000</u>	<u>850,000</u>

11.2 Short-term money market loans have been arranged as a sub-limit of the running finance facility. Rate of mark-up applicable to these facility is 21.88% (2023: 21.56%) per annum. The facilities are available for the maximum period of one year from the date of agreement with the latest facility expiring on August 31, 2024.

11.3 Short-term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to August 31, 2024. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to inventories and trade receivables. Rate of mark-up applicable to these facilities ranges between 21.66% to 24.00% (2023: 22.61% to 24.06%) per annum.

11.4 This represents Istisna facilities aggregating to Rs. 500 million (2023: Rs. 500 million) and Musharakah facilities aggregating to Rs. 1,000 million (2023: Rs. 1,000 million) repayable with a maximum tenure of 180 days and 1 year from the date of disbursement respectively. Rate of profit applicable to these facility is 21.56% to 22.50% (2023: 23.24%) per annum. As at reporting date, unavailed amount under these facilities amounts to Rs. 81 million (2023: Rs. 300.87 million)

11.5 Total short-term facilities available under mark-up arrangements aggregated Rs. 9,410 million (2023: Rs 9,210 million) out of which the amount unavailed at the year end was Rs. 2,549 million (2023: Rs. 4,224.14 million).

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There has been no significant change during the period in the contingencies reported in the annual audited financial statements for the year ended December 31, 2023 except for as disclosed in note 21.

	(Un-audited) March 31	(Audited) December 31
	2024	2023
	(Rupees in thousand)	
- for purchase of raw materials and spares	3,069,271	1,578,698
- for capital expenditure	2,124,978	3,476,652
- for ijarah arrangements of motor vehicles	24,892	27,812

The facilities for opening of letter of credits and for guarantees as at March 31, 2024 amounts to Rs. 17,117 million (December 31, 2023: Rs. 15,954 million) and Rs. 1,842 million (December 31, 2023: Rs. 1,842 million) respectively, of which the amount unutilized was Rs.8,503 million (December 31, 2023: Rs. 7,856 million) and Rs. 740 million (December 31, 2023: Rs. 740 million) respectively.

	(Un-audited) Quarter Ended March 31	
	2024	2023
	(Rupees in thousand)	
Sale of goods less returns:		
- Local	7,071,807	6,602,128
Less: Discounts	(152,842)	(119,156)
Sales tax	(1,075,003)	(983,139)
	5,843,962	5,499,833
- Export	1,101,183	385,925
	6,945,145	5,885,758

14. FINANCE COST

This includes financial charges on short term borrowings and long term borrowings amounting to Rs. 69.17 million (March 2023: Rs. 173.02 million) and Rs. 271.66 million (March 2023: Rs. 93.14 million) respectively.

This also includes a net amount of Rs. 37.55 million (March 2023: Rs. 112.51 million) in respect of exchange gain / loss.

15. INCOME TAX - NET

15.1 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.

	(Un-audited) Quarter Ended March 31	
	2024	2023
	(Rupees in thousand)	
Current tax	89,314	176,650
Deferred tax	(13,814)	(37,346)
	75,500	139,304

16. (LOSS) / EARNINGS PER SHARE

	(Un-audited) Quarter Ended March 31	
	2024	2023
	(Rupees in thousand)	
(Loss) / Profit after taxation attributable to ordinary shareholders	(12,044)	282,829
	Number of Shares in thousand	
Weighted average number of ordinary shares outstanding at the end of the period	38,800	38,800
	(Rupees)	
(Loss) / Earnings per share - basic and diluted	(0.31)	7.29

16.1 There were no convertible dilutive potential ordinary shares outstanding March 31, 2024 and 2023.

17. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties are as follows:

		(Un-audited) Quarter Ended March 31	
		2024	2023
		(Rupees in thousand)	
Nature of transaction	Nature of relationship		
Group Shared Cost	Parent Company	21,238	12,250
Group Shared Cost	Associated undertaking	-	60
Purchase of goods and services	Associated undertaking	188,446	180,609
Sale of goods and services	Associated undertaking	879,361	939,140
Contributions to staff retirement benefit funds	Retirement benefit funds	23,563	21,303
Salaries and other employees' benefits	Key management personnel*	54,330	38,875

*Includes CEO, CFO and Head of the department.

18. CASH GENERATED FROM OPERATIONS

	(Un-audited) Quarter Ended March 31	
	2024	2023
	(Rupees in thousand)	
Profit before income tax	63,457	422,133
Adjustment for non-cash charges and other items:		
Depreciation	199,815	206,478
Amortization expense	1,500	1,915
Finance cost	368,471	297,064
Government grant recognised in income	(1,115)	(1,115)
Unrealised exchange loss	3,072	113,921
Profit on bank balances	(8,401)	(8,520)
Provision for accumulated compensated absences - net	4,660	3,008
Provision for staff retirement benefits	27,739	23,588
Gain on disposal of operating fixed assets	(51)	(2,914)
Working capital changes	(62,410)	1,442,743
	596,737	2,498,301

Note

18.1

(Un-audited)
Quarter Ended March 31

18.1 Working capital changes

Note

2024

2023

(Rupees in thousand)

Decrease / (increase) in current assets:

Inventories	490,629	230,962
Trade receivables	(713,099)	833,718
Advances and prepayments	(39,972)	(192,098)
Refunds due from government - sales tax	(155,980)	11,988
Other receivables	272,634	(1,403,490)
	<u>(145,788)</u>	<u>(518,920)</u>
Increase in trade and other payables	83,378	1,961,663
	<u>(62,410)</u>	<u>1,442,743</u>

19. CASH AND CASH EQUIVALENTS

Cash and bank balances	307,085	483,295
Short term running finance	(6,011,184)	(1,713,503)
	<u>(5,704,099)</u>	<u>(1,230,208)</u>

20. PLANT CAPACITY AND ACTUAL PRODUCTION

Operational capacity available during the period	<u>20,950</u>	<u>20,950</u>
Production	<u>12,769</u>	<u>9,418</u>

21. SUBSEQUENT EVENT

The Board of Directors in its meeting held on February 07, 2024 proposed a final cash dividend for the year ended December 31, 2023 of Rs. 6 per share amounting to Rs. 232.8 million. (2022: Rs. 194 million) subject to the approval of the Company in the forthcoming annual general meeting.

22. DATE OF AUTHORISATION FOR ISSUE

22.1 These condensed interim financial statements were authorised for issue on April 18, 2024 by the Board of Directors of the Company.

Nasir Jamal
Chief Executive Officer

Asif Qadir
Director

Muhammad Zuhair Damani
Chief Financial Officer

ڈائریکٹرز کی جائزہ رپورٹ

برائے سہ ماہی مختتمہ 31 مارچ 2024

ڈائریکٹرز اپنی جائزہ رپورٹ مع کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات برائے سہ ماہی مختتمہ 31 مارچ 2024 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

اس تمام عرصے میں تحفظ، صحت اور ماحولیات (SHE) کی پالیسیز، طریقہ کار اور ضوابط پر عمل درآمد کا عزم ہمارے اولین ذمہ داری رہی۔

سہ ماہی مختتمہ 31 مارچ

2023	2024	
10,227	12,888	فروخت کا حجم (میٹرک ٹن)
5,886	6,945	فروخت سے حاصل ہونے والی خالص آمدنی (ملین روپے)
850	359	آپریٹنگ منافع (ملین روپے)
297	368	سود کے اخراجات (ملین روپے)
112	(38)	زرمبادلہ کا نقصان/ (نفع) (ملین روپے)
422	63	منافع قبل از ٹیکس (ملین روپے)
283	(12)	(نقصان) / منافع بعد از ٹیکس (ملین روپے)
7.29	(0.31)	(نقصان) / آمدنی فی شیئر (روپے)

گزشتہ سال کی اسی مدت کے مقابلے میں مجموعی حجم میں 26% اضافہ ہوا جس کا سبب زیادہ برآمدات تھی جس کے لئے ہم نے اس سال گھٹانٹ میں وسعت کی مدت کے بعد اپنی برآمدات بڑھانے کے لئے تیاری کی تھی۔ اسی بنا پر فروخت کی آمدنی میں بھی 18% فیصد اضافہ ممکن ہوا۔

گزشتہ سال درآمدی پابندیوں نے رسد پر منفی اثرات ڈالے جس کے نتیجے میں موجودہ سال کے برخلاف گزشتہ سال قیمتیں اور شرح منافع زیادہ رہے۔ اس کے علاوہ عالمی سطح پر سست روی کے سبب اس سال قیمتیں اور مارجن نمایاں طور پر کم رہے جس کا اظہار ہمارے برآمدات کے حجم میں ہوتا ہے۔ اس کے نتیجے میں آپریٹنگ منافع گزشتہ سال کی اسی مدت کے مقابلے میں 58% کم رہا۔

افراط زر اور بلند پالیسی ریش کے باعث انتظامی، فروخت اور سود کے اخراجات میں بھی اضافہ ہوا۔

اس سال میں کمپنی نے 63 ملین روپے منافع پوسٹ کیا جبکہ اس کے مقابلے میں گزشتہ سال کی اسی مدت میں 422 ملین روپے تھاد۔

انکم ٹیکس آرڈیننس 2001 کے تحت درآمدی سطح پر خام مال پر ٹیکس وصول کیا گیا جس کو پلاسٹک کی صنعت کے لئے کم سے کم ٹیکس قرار دیا گیا ہے۔ ہم ریونیو اتھارٹی کی توجہ اس طرف دلاتے ہیں اور اس بے قاعدگی کو دور کرنے کی درخواست کی ہے کیونکہ اس کی وجہ سے منفعیت سے قرض نظر کاروبار کی لاگت میں اضافہ ہوا۔

اس کے نتیجے میں کمپنی کو 12 ملین روپے کا نقصان اٹھانا پڑا جبکہ گزشتہ سال اسی عرصے میں 283 ملین روپے کا منافع ریکارڈ ہوا تھا۔

مستقبل کا منظر نامہ
تین نئی BOPP لائنز کی کوشنگ سے حجم اور قیمتوں کے تعین میں چیلنجز کا سامنا ہوگا۔

کمپنی خصوصی طور پر اس بات کو یقینی بنانے پر مخلصی کے ساتھ کام کر رہی ہے کہ پروجیکٹ مقررہ وقت پر کام شروع کر دے۔ بہر حال ناقابل کنٹرول عوامل، جیسے روپے کی قدر میں کمی اور بلند شرح سود کے باعث پروجیکٹ کی لاگت میں نمایاں اضافہ ہوا ہے۔

پلاسٹک پیکجنگ میٹریل پر نئے صوبائی ضوابط میں خلیجی ممالک کے ساتھ ایف ٹی اے کی تجویز پیش کی گئی ہے اور پلاسٹکس پر کم سے کم ٹیکس لاگو کئے گئے ہیں جو نمایاں چیلنجز ہیں اور کاروباری عمل کی لاگت میں اضافہ کا سبب ہیں۔ ہم پالیسی سازوں سے پر زور درخواست کرتے ہیں کہ موجودہ معاشی صورتحال میں مسابقت کے لئے صنعت پر مرتب ہونے والے مجموعی اثرات پر غور کریں۔

ہم ایسے مشکل حالات میں اپنے تمام اسٹیک ہولڈرز کے مستقبل تعاون اور ہم پر اعتماد کرنے کے لئے بے حد شکر گزار ہیں۔



ناصر جمال
چیف ایگزیکٹو آفیسر

18 اپریل، 2024ء
کراچی۔



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