



Tri-Pack Films Limited

# Navigating challenges with agility

Half Year Ended  
June, 2024



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# 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

4<sup>th</sup> 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 Half Year ended June 30, 2024

The Directors are delighted to present their review report together with the un-audited condensed interim financial information of the Company for the half year ended June 30, 2024.

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

	Half Year ended June 30,	
	2024	2023
Sales Volume (M. Tonnes)	24,291	19,188
Net Sales Value (Rs. Million)	13,584	11,527
Operating profit (Rs. Million)	923	1,706
Interest cost (Rs. Million)	761	359
Exchange (gain)/loss (Rs. Million)	(15)	99
Profit before tax and levies (Rs. Million)	236	1,271
Profit after tax (Rs. Million)	56	692
Earnings per share (Rs.)	1.44	17.83

Total volumes increased by 27% compared to SPLY driven primarily by higher exports of BOPP film. However, domestic selling prices at an average came down by 7% in H1 2024 which had spiked in SPLY due to demand and supply imbalance owing to import restrictions. Sales revenue as a result was higher by 18% owing to higher volumes.

Aggregate local margins were lower compared to SPLY primarily due to lowering of prices as aforementioned and also due to escalating cost of doing business particularly energy cost. Besides, with the continuing global slowdown, international prices and margins remained depressed this year.

Consequently, operating profit was lower by 46% compared to SPLY despite higher volumes and sales.

Admin, selling costs and Interest cost are higher primarily due to inflationary pressure and higher interest rates.

The Company posted a profit before tax of Rs. 236 million compared to Rs. 1,271 million in SPLY.

We again would like to draw the attention of the revenue authorities and decision maker to address the following anomalies under the Income Tax Ordinance, 2001 which have increased the cost of doing business irrespective of the profitability:

1. The tax collected at import stage on raw materials is treated as minimum tax for plastic industry and recent changes in Income tax on exports, and
2. Withdrawal of exemptions available under section 153 while being subjected to tax on import stage.

Resultantly, the Company reported net profit after tax of Rs 56 million compared to net profit after tax of Rs 692 million in SPLY.

## Future Outlook

The project has been successfully commissioned as announced on the PSX on July 4, 2024. However, project costs have increased due to uncontrollable factors such as Rupee devaluation and high interest rates.

The commissioning of three new BOPP lines in domestic market would bring challenges for some time. New provincial regulations on plastic packaging materials, proposed FTA with Gulf countries are the other significant challenges. 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 support and trust in these trying times.



**Nasir Jamal**  
Chief Executive Officer

August 08, 2024  
Karachi

## Independent Auditor's Review Report

To the members of Tri-Pack Films Limited  
Report on Review of Interim Financial Statements

### Introduction

We have reviewed the accompanying condensed interim statement of financial position of Tri-Pack Films Limited as at June 30, 2024 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the half year ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures of the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2024 and June 30, 2023 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2024.

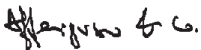
### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Syed Muhammad Hasnain.



Chartered Accountants  
Karachi

Date: August 28, 2024

UDIN: RR202410073nNKWtTkqG

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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>

■ KARACHI ■ LAHORE ■ ISLAMABAD

# Condensed Interim Statement Of Financial Position

As at June 30, 2024

		(Un-audited) June 30	(Audited) December 31
	Note	2024	2023
(Rupees in thousand)			
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	5	19,008,965	14,828,915
Intangibles		7,480	10,386
Long term deposits		25,783	25,783
		<u>19,042,228</u>	<u>14,865,084</u>
<b>CURRENT ASSETS</b>			
Inventories	6	4,942,220	4,446,312
Trade receivables		3,456,500	2,874,497
Advances and prepayments	7	475,411	319,010
Other receivables	8	737,579	1,095,250
Refunds due from government - sales tax	9	1,960,226	1,905,338
Income tax refundable		1,538,280	1,205,006
Cash and bank balances		274,548	1,559,756
		<u>13,384,764</u>	<u>13,405,169</u>
		<u>32,426,992</u>	<u>28,270,253</u>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up share capital		388,000	388,000
Share premium		999,107	999,107
General reserve		1,605,000	1,605,000
Unappropriated profit		2,656,728	2,833,686
		<u>5,648,835</u>	<u>5,825,793</u>
<b>LIABILITIES</b>			
<b>NON CURRENT LIABILITIES</b>			
Long term borrowings		9,427,664	8,040,687
Deferred income - government grant		609,001	373,175
Lease liability		36,961	36,044
Deferred taxation		339,605	387,902
Staff retirement benefits		118,592	127,613
Accumulated compensated absences		44,287	42,112
		<u>10,576,110</u>	<u>9,007,533</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	7,957,308	7,069,066
Unclaimed dividend		25,009	23,435
Accrued mark-up		417,406	418,262
Short term borrowings	11	6,811,184	4,985,856
Current portion of lease liability		5,516	3,677
Current portion of long term borrowings		985,624	936,631
		<u>16,202,047</u>	<u>13,436,927</u>
		<u>26,778,157</u>	<u>22,444,460</u>
<b>TOTAL LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<u>32,426,992</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



**Khurram Raza Bakhtayari**  
Director



**Muhammad Zuhair Damani**  
Chief Financial Officer

# Condensed Interim Statement Of Profit or Loss and Other Comprehensive Income

For the Half Year Ended June 30, 2024 - (Un-audited)

	Note	Quarter ended June 30		Half year ended June 30	
		2024	2023	2024	2023
			(Restated)		(Restated)
(Rupees in thousand)					
Revenue from contracts with customers	13	6,638,843	5,640,884	13,583,988	11,526,642
Cost of sales		(5,654,043)	(4,428,951)	(11,856,633)	(9,083,647)
Gross profit		984,800	1,211,933	1,727,355	2,442,995
Distribution costs		(218,554)	(210,623)	(447,655)	(408,192)
Administrative expenses		(201,490)	(133,759)	(356,446)	(311,121)
		(420,044)	(344,382)	(804,101)	(719,313)
Loss allowance on trade receivable		-	(5,730)	(328)	(17,356)
Operating profit		564,756	861,821	922,926	1,706,326
Other income		36,690	109,789	77,272	128,510
		601,446	971,610	1,000,198	1,834,836
Other expenses		(12,739)	(74,884)	(17,443)	(106,400)
Finance cost - net	14	(415,440)	(48,198)	(746,359)	(457,775)
		(428,179)	(123,082)	(763,802)	(564,175)
Profit before income tax and levies		173,267	848,528	236,396	1,270,661
Levies (minimum and final tax)	15	(69,587)	(5,955)	(143,807)	(9,814)
Profit before income tax		103,680	842,573	92,589	1,260,847
Income tax - net	16	(35,466)	(433,578)	(36,747)	(569,023)
Profit for the period		68,214	408,995	55,842	691,824
<b>Other comprehensive income for the period:</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of staff retirement benefits		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>68,214</b>	<b>408,995</b>	<b>55,842</b>	<b>691,824</b>
Earnings per share - basic and diluted (Rupees)	17	1.76	10.54	1.44	17.83

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



Nasir Jamal

Chief Executive Officer



Khurram Raza Bakhtayari

Director



Muhammad Zuhair Damani

Chief Financial Officer

# Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2024 - (Un-audited)

	Issued, subscribed and paid up share capital	Reserves			Total Reserves	Total
		Capital	Revenue			
			Share Premium	General reserve		
(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
Transactions with owners recorded directly in equity - distribution						
Final cash dividend for the year ended December 31, 2022 @ Rs. 5.00 per share	-	-	-	(194,000)	(194,000)	(194,000)
Total comprehensive income for the half year ended June 30, 2023						
- Profit for the half year ended June 30, 2023	-	-	-	691,824	691,824	691,824
- Other comprehensive income for the half year ended June 30, 2023	-	-	-	-	-	-
	-	-	-	691,824	691,824	691,824
Balance as at June 30, 2023	388,000	999,107	1,605,000	2,566,699	5,170,806	5,558,806
<b>Balance as at January 1, 2024</b>	<b>388,000</b>	<b>999,107</b>	<b>1,605,000</b>	<b>2,833,686</b>	<b>5,437,793</b>	<b>5,825,793</b>
Transactions with owners recorded directly in equity - distribution						
Final cash dividend for the year ended December 31, 2023 @ Rs. 6.00 per share	-	-	-	(232,800)	(232,800)	(232,800)
Total comprehensive income for the half year ended June 30, 2024						
- Profit for the half year ended June 30, 2024	-	-	-	55,842	55,842	55,842
- Other comprehensive income for the half year ended June 30, 2024	-	-	-	-	-	-
	-	-	-	55,842	55,842	55,842
<b>Balance as at June 30, 2024</b>	<b>388,000</b>	<b>999,107</b>	<b>1,605,000</b>	<b>2,656,728</b>	<b>5,260,835</b>	<b>5,648,835</b>

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



**Nasir Jamal**  
Chief Executive Officer



**Khurram Raza Bakhtayari**  
Director



**Muhammad Zuhair Damani**  
Chief Financial Officer



# Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2024 - (Un-audited)

	Note	Half year ended June 30	
		2024	2023
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	19	1,360,443	5,223,596
Payment on account of accumulated compensated absences		(7,144)	(7,582)
Decrease in long term deposits		-	2,250
Staff retirement benefits paid		(66,385)	(38,454)
Income tax and levies paid		(562,125)	(294,184)
Net cash generated from operating activities		724,789	4,885,626
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(3,544,891)	(1,166,835)
Purchase of intangible assets		-	(2,369)
Profit received on bank balances		13,173	12,287
Sale proceeds on disposal of operating fixed assets		312	3,634
Net cash used in investing activities		(3,531,406)	(1,153,283)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term borrowings - net		1,721,636	(175,306)
Short term borrowings - net		(350,000)	(3,250,500)
Finance cost paid		(1,730,992)	(722,942)
Dividend paid		(231,226)	(191,738)
Transaction cost paid		-	(2,100)
Bank charges paid		(63,337)	(46,977)
Net cash used in financing activities		(653,919)	(4,389,563)
Net decrease in cash and cash equivalents		(3,460,536)	(657,220)
Cash and cash equivalents at the beginning of the period		(2,576,100)	330,681
Cash and cash equivalents at the end of the period	20	(6,036,636)	(326,539)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.



**Nasir Jamal**

Chief Executive Officer



**Khurram Raza Bakhtayari**

Director



**Muhammad Zuhair Damani**

Chief Financial Officer

# Notes to and Forming Part of the Condensed Interim Financial Information

For the Half Year Ended June 30, 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 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.
- 1.2 Packages Limited is the parent company, holding 69.3% shares of the Company.
- 1.3 Subsequent to the period end, the Company's new BOPP line project is operational and production of BOPP films thereon has commenced from 03 July 2024. After successful commissioning, the total annual operational capacity of the Company will stand enhanced to 138,800 metric tons from the previous annual capacity of 83,800 metric tons.

## 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;
- 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 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, 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 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, 2025. 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, 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 except for the following:

During the year the Institute of Chartered Accountant of Pakistan (ICAP) have withdrawn the Technical Release 27 "IAS 12, Income Taxes (Revised 2012)" and issued guidance - "IAS 12 Application Guidance on Accounting for Minimum Taxes and Final Taxes". The said guidance requires certain amounts of tax paid under minimum and final tax regime to be shown separately as a levy instead of showing it in current tax.

Accordingly, the impact has been incorporated in these financial statements retrospectively in accordance with the requirement of International Accounting Standard (IAS 8) — 'Accounting Policies, Change in Accounting Estimates and Errors'. There has been no effect on the condensed interim statement of financial position, the condensed interim statement of cash flows and earning per share as a result of this change.

Effect on condensed interim statement of profit or loss and other comprehensive income	Had there been no change in accounting policy	Impact of change in accounting policy	After incorporating effects of change in accounting policy
	(Rupees in thousand)		
<b>For the half year ended June 30, 2024</b>			
Levies	-	(143,807)	(143,807)
Profit before income tax	236,396	(143,807)	92,589
Income tax - net	(180,554)	143,807	(36,747)
<b>For the half year ended June 30, 2023</b>			
Levies	-	(9,814)	(9,814)
Profit before income tax	1,270,661	(9,814)	1,260,847
Income tax - net	(578,837)	9,814	(569,023)

#### Accounting policy - Levies

Any tax charged under Income Tax Ordinance, 2001 which is not based on taxable income or any amount paid / payable in excess of the calculation based on taxable income is classified as levy in the statement of profit or loss and other comprehensive income as these levies fall under the scope of IFRIC 12/IAS 37.

		(Un-audited)	(Audited)	
		June 30	December 31	
5.	PROPERTY, PLANT AND EQUIPMENT	2024	2023	
(Rupees in thousand)				
	Operating fixed assets	5.1	5,123,352	5,405,000
	Capital work-in-progress	5.1	13,725,740	9,277,984
	Major spare parts and stand-by equipments	5.1	159,873	145,931
			<u>19,008,965</u>	<u>14,828,915</u>

5.1 Additions to and disposals from property, plant and equipment during the period are as follows:

	Additions/Transfers from CWIP (at cost)		Disposals/Transfers (at net book value)	
	June 30 2024	June 30 2023	June 30 2024	June 30 2023
(Rupees in thousand)				
Building and other civil work on leasehold land	-	15,251	-	-
Electric installations	-	3,020	-	-
Plant and machinery	90,354	102,679	-	-
Furniture and fittings	7,953	5,565	218	67
Office and other equipments	11,493	9,323	43	47
Vehicles	8,572	3,368	-	604
Capital work-in-progress note - 5.2 and 5.3	4,466,686	1,436,296	18,935	27,754
Major spare parts and stand-by equipments	27,498	6,907	13,557	2,698
	<u>4,612,556</u>	<u>1,582,409</u>	<u>32,753</u>	<u>31,170</u>

5.2 This includes capital expenditure pertaining to plant and machinery, building and civil works amounting to Rs. 3,195.10 million (June 30, 2023: Rs 1,099.44 million) and Rs. 237.11 million (June 30, 2023: Rs. 228.17 million) respectively.

5.3 This includes borrowing cost, net of government grant capitalised during the period amounting to Rs.1,034.49 million (June 30, 2023: Rs. 186.32 million).

	Note	(Un-audited)	(Audited)
		June 30	December 31
6.	INVENTORIES	2024	2023
(Rupees in thousand)			
Stores		130,583	172,377
Spares		605,383	596,580
Stores and spares in transit		17,932	53,489
		<u>753,898</u>	<u>822,446</u>
Less: Provision for obsolescence		<u>(131,520)</u>	<u>(131,520)</u>
		622,378	690,926
Raw materials			
In hand		2,282,508	2,293,434
In transit		804,557	547,357
		<u>3,087,065</u>	<u>2,840,791</u>
Less: Provision for obsolescence		<u>(119,755)</u>	<u>(124,755)</u>
		3,589,688	3,406,962
Packing materials		40,739	43,569
Work in process		575,672	574,466
Finished goods	6.1 & 6.2	736,121	421,315
		<u>4,942,220</u>	<u>4,446,312</u>

6.1 This includes inventory currently held at third party location on its written down value amounting to Rs.156.85 million (December 31, 2023: Nil).

6.2 This includes finished goods in transit amounting to Rs. 132.10 million (December 31, 2023: Nil).

## 7. ADVANCES AND PREPAYMENTS

7.1 These also include Rs. 134.10 million (December 31, 2023: Rs. 148.43 million) in respect of advances against import of raw material and spares.

## 8. OTHER RECEIVABLES

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 note 10.2 of these condensed interim financial statements. 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.

## 9. REFUNDS DUE FROM GOVERNMENT - SALES TAX

This includes a refundable amount of Rs. 208.90 million (December 31, 2023: Rs. 1,468.13 million) in respect of sales tax paid on purchase of machinery for the new BOPP line.

## 10. TRADE AND OTHER PAYABLES

10.1 This includes Rs. 594.64 million (December 31, 2023: Rs. 594.64 million) with respect to Gas Infrastructure Development Cess (GIDC). During the year 2022, the Company stopped making payments of installments as stay order had been obtained by the Company from the Honorable High Court of Sindh.

10.2 This includes Rs. 981.10 million (December 31, 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. The said amount has not been paid as stay order has been obtained by the Company in the Honourable High Court of Sindh. 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.

10.3 This includes liability for imported goods of Rs. 4,195.98 million (December 31, 2023: Rs. 3,164.98 million).

## 11. SHORT TERM BORROWINGS

	Note	(Un-audited)	(Audited)
		June 30	December 31
		2024	2023
(Rupees in thousand)			
<b>Secured conventional financing</b>			
Short term money market loans	11.1 & 11.2	-	350,000
Short term running finance	11.3 & 11.5	5,578,394	3,436,728
<b>Secured Islamic financing</b>			
Short term istisna cum wakala	11.1 & 11.4	500,000	500,000
Short term running musharaka	11.4	732,790	699,128
		<u>6,811,184</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) June 30	(Audited) December 31
	2024	2023
	(Rupees in thousand)	
Opening balance as at January 1	850,000	3,750,500
Utilisation during the period	850,000	850,000
Repayment	<u>(1,200,000)</u>	<u>(3,750,500)</u>
Closing balance	<u>500,000</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 facilities is 21.88% (December 31, 2023: 21.56%) per annum. These facilities are available for a 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 trade receivables, stock-in-trade and stores and spares. Rate of mark-up applicable to these facilities ranged between 21.66% to 24.12% (December 31, 2023: 22.61% to 24.06%).
- 11.4 This represents Istisna facilities aggregating to Rs. 500 (December 31, 2023: Rs. 500 million) million and musharakah facilities aggregating to Rs. 1,000 million (December 31, 2023: Rs. 1,000 million) repayable with a maximum tenure of 180 days and 1 year from the date of disbursement respectively. As at reporting date, unavailed amount under these facilities amounts to Rs. 267.3 million (December 31, 2023: Rs. 300.87 million).
- 11.5 Total short-term facilities available under mark-up arrangements aggregated Rs. 9,410 million (December 31, 2023: Rs. 9,210 million) out of which the amount unavailed at the period end was Rs. 2,599.82 million (December 31, 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.

	(Un-audited) June 30	(Audited) December 31
	2024	2023
	(Rupees in thousand)	
12.2 Commitments		
- for purchase of raw materials and spares	<u>2,904,565</u>	<u>1,578,698</u>
- for capital expenditure	<u>1,770,776</u>	<u>3,476,652</u>
- for ijarah arrangements of motor vehicles	<u>22,034</u>	<u>27,812</u>

The facilities for opening of letters of credit and for guarantees as at June 30, 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. 7,780.76 million (December 31, 2023: Rs. 7,856 million) and Rs. 740.09 million (December 31, 2023: Rs. 740.09 million) respectively.

### 13. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Un-audited)			
	Quarter ended June 30		Half year ended June 30	
	2024	2023	2024	2023
	(Rupees in thousand)			
Sale of goods less returns:				
- Local	7,351,366	6,127,439	14,423,173	12,729,567
Less: Discounts	(111,744)	(138,874)	(264,586)	(258,030)
Sales tax	(1,100,316)	(943,159)	(2,175,319)	(1,926,298)
	<u>6,139,306</u>	<u>5,045,406</u>	<u>11,983,268</u>	<u>10,545,239</u>
- Export	499,537	595,478	1,600,720	981,403
	<u>6,638,843</u>	<u>5,640,884</u>	<u>13,583,988</u>	<u>11,526,642</u>

### 14. FINANCE COST - NET

This includes financial charges on short term borrowings and long term borrowings amounting to Rs. 157.9 million (June 30, 2023: Rs. 117.19 million) and Rs. 537.7 million (June 30, 2023: Rs. 191.55 million) respectively.

This also includes a net exchange gain of Rs. 15.34 million (June 30, 2023: net exchange loss of Rs. 99.45 million).

### 15. LEVIES

	(Un-audited)	
	Half year ended June 30	
	2024	2023
	(Rupees in thousand)	
Minimum tax differential u/s 148	127,800	-
Final tax u/s 154	16,007	9,814
	<u>143,807</u>	<u>9,814</u>

### 16. INCOME TAX - NET

16.1 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.

	Note	(Un-audited)	
		Half year ended June 30	
		2024	2023
			(Restated)
		(Rupees in thousand)	
Current tax		85,068	481,603
Deferred tax		(48,321)	11,710
Prior year tax	16.2	-	75,710
		<u>36,747</u>	<u>569,023</u>

16.2 This represented additional super tax provision for tax year 2023 as per Finance Act 2023.

## 17. EARNINGS PER SHARE

	(Un-audited)			
	Quarter ended June 30		Half year ended June 30	
	2024	2023	2024	2023
	(Rupees in thousand)			
Profit after taxation attributable to ordinary shareholders	68,214	408,995	55,842	691,824
	(No. of shares in thousand)			
Weighted average number of ordinary shares outstanding at the end of the period	38,800	38,800	38,800	38,800
	(Rupees)			
Earnings per share - basic and diluted	1.76	10.54	1.44	17.83

17.1 There were no convertible dilutive potential ordinary shares outstanding on June 30, 2024 and 2023.

## 18. TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	
		Half year ended June 30	
		2024	2023
Transactions with related parties are as follows:			
Nature of transaction		Nature of relationship	
(Rupees in thousand)			
Sale of goods and services	Associated undertaking	1,610,733	1,385,747
Purchase of goods and services	Associated undertaking	232,358	207,213
Group shared cost	Parent company	88,861	28,466
Group shared cost	Associated undertaking	-	234
Donations	Associated undertaking	-	12,000
Dividend paid	Associated undertaking and directorship	194,183	161,819
Salaries and other employees' benefits	Key management personnel *	111,101	80,889
Contributions to staff retirement benefit funds	Retirement benefit funds	47,917	42,947

\* Key management personnel includes CEO, CFO and Head of departments.

## 19. CASH GENERATED FROM OPERATIONS

	Note	(Un-audited)	
		Half year ended June 30	
		2024	2023
(Rupees in thousand)			
Profit before income tax and levies		236,396	1,270,661
Adjustment for non-cash charges and other items:			
Depreciation		399,070	400,182
Amortization expense		2,906	1,668
Provision for staff retirement benefits		57,364	43,733
Profit on bank balances		(13,173)	(12,287)
Gain on disposal of operating fixed assets		(51)	(2,916)
Provision for accumulated compensated absences - net		9,319	6,009
Government grant recognised in income		(2,230)	(2,230)
Exchange loss - unrealised		22,673	93,355
Finance cost		761,738	358,348
Working capital changes	19.1	(113,569)	3,067,073
		1,360,443	5,223,596

**(Un-audited)**  
**Half year ended June 30**

**19.1 Working capital changes**

Note

**2024**

**2023**

(Rupees in thousand)

(Increase) / decrease in current assets:

Inventories		(495,908)	(329,195)
Trade receivables		(582,003)	(223,701)
Advances and prepayments		(156,401)	(239,829)
Refunds due from government - sales tax		(54,888)	(237,817)
Other receivables		357,671	(171,946)
		<u>(931,529)</u>	<u>(1,202,488)</u>
Increase in trade and other payables		817,960	4,269,561
		<u>(113,569)</u>	<u>3,067,073</u>

**20. CASH AND CASH EQUIVALENTS**

Cash and bank balances		274,548	348,124
Short term running finance	11	(5,578,394)	(668,758)
Short term running musharaka	11	(732,790)	(5,905)
		<u>(6,036,636)</u>	<u>(326,539)</u>

**21. PLANT CAPACITY AND ACTUAL PRODUCTION**

Operational capacity available during the period		<u>41,900</u>	<u>41,900</u>
Production		<u>25,291</u>	<u>18,790</u>

**22. DATE OF AUTHORISATION FOR ISSUE**

These condensed interim financial statements were authorised for issue on August 08, 2024 by the Board of Directors of the Company.



**Nasir Jamal**

Chief Executive Officer



**Khurram Raza Bakhtayari**

Director



**Muhammad Zuhair Damani**

Chief Financial Officer

# ڈائریکٹرز کا جائزہ

برائے ششماہی مہینہ 30 جون 2024

ڈائریکٹرز اپنی جائزہ رپورٹ مع کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی معلومات برائے ششماہی مہینہ 30 جون 2024 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ حفاظت، صحت اور ماحولیات (SHE) کی پالیسیوں، طریقہ کار اور ضوابط پر عمل درآمد کا عہد کمپنی کی اولین ترجیح رہیں۔

## ششماہی مہینہ 30 جون

2023	2024
19,188	24,291
11,527	13,584
1,706	923
359	761
99	(15)
1,271	236
692	56
17.83	1.44

فروخت کا حجم (میلرک ٹن)  
فروخت سے حاصل ہونے والی خالص آمدنی (ملین روپے)  
آپریٹنگ منافع (ملین روپے)  
سود کے اخراجات (ملین روپے)  
زرمبادلہ کا (منافع) / نقصان (ملین روپے)  
منافع قبل از ٹیکس اور محصولات (ملین روپے)  
منافع بعد از ٹیکس (ملین روپے)  
آمدنی فی حصہ (روپے)

گزشتہ سال کی اسی مدت کے مقابلے میں کل حجم میں 27% اضافہ ہوا جو بنیادی طور پر نی اوپنی نی فلم کی زیادہ برآمدات سے حاصل ہوا۔ تاہم 2024 کی پہلی ششماہی میں مقامی فروخت کی قیمتوں میں اوسطاً 7% کمی آئی جو گزشتہ سال کی اسی مدت میں مستحکم تھی جس کی وجہ درآمدات پر پابندی کے باعث طلب ورسد کا غیر متوازن ہونا تھی۔ اس کے نتیجے میں زیادہ حجم کی وجہ فروخت کی آمدنی میں 18% اضافہ ہوا۔

مجموعی طور پر مقامی مارجن گزشتہ سال کی اسی مدت کے مقابلے میں کم رہے جس کی بنیادی وجہ جیسا کہ پہلے کہا گیا ہے قیمتوں کی کمی اور اس کے علاوہ کاروباری لاگت میں خاص طور پر توانائی کی قیمت میں اضافے کے سبب، اضافہ ہونا تھی۔ علاوہ ازیں اس سال مسلسل عالمی سست روی، بین الاقوامی قیمتیں اور مارجن مایوس کن رہے۔

اس کے نتیجے میں زیادہ حجم اور فروخت کے باوجود آپریٹنگ منافع گزشتہ سال کی اسی مدت کے مقابلے میں 46% کم ہوا۔

ایڈمن، فروخت کی لاگت بھی زیادہ رہی جو بنیادی طور پر افراط زر کے دباؤ اور بلند شرح سود کے باعث تھی۔

کمپنی نے گزشتہ سال کی اسی مدت کے 1,271 ملین روپے کے مقابلے میں 236 ملین روپے قبل از ٹیکس منافع پوسٹ کیا۔

ہم ایک مرتبہ پھر ریویو اتھارٹیز اور فیصلہ سازوں کی توجہ مندرجہ ذیل کی طرف دلاتے ہیں انکم ٹیکس آرڈیننس 2001 کے تحت ہونے والی درج ذیل بے قاعدگیوں نے منافع سے قطع نظر کاروبار کرنے کی لاگت میں اضافہ کیا ہے۔

- 1- درآمدی مرحلے پر خام مال پر وصول کئے گئے ٹیکس کو پلاسٹک انڈسٹری کے لئے کم از کم ٹیکس قرار دیا جاتا ہے اور برآمدات پر انکم ٹیکس میں کمی کی جانے والی تبدیلیاں، اور
- 2- سیکشن 153 کے تحت حاصل استثنیٰ کا واہن لیا جانا جبکہ درآمدات پر ٹیکس سے مشروط ہے۔

اس کے نتیجے میں کمپنی نے بعد از ٹیکس خالص منافع 56 ملین روپے پوسٹ کیا جبکہ گزشتہ سال کی اسی مدت میں 692 ملین روپے تھا۔

## مستقبل کا منظر نامہ

پروجیکٹ کا کامیابی کے ساتھ آغاز ہو گیا جیسا کہ پی ایس ایکس پر 4 جولائی 2024 کو اعلان کیا گیا تھا۔ تاہم بے قابو عناصر جیسے روپے کی قدر میں کمی اور بلند شرح سود کے باعث پروجیکٹ کی لاگت میں اضافہ ہو گیا۔

تین نئے پی او پی نی لائسنز کی کوشش سے مقامی مارکیٹ میں کچھ عرصے کے لئے چیلنجز کا سامنا ہو سکتا ہے۔ پلاسٹک پیکیجنگ میٹریلز پر نئے صوبائی ضوابط سے گلف ممالک کے ساتھ تجویز ایف ٹی اے کے مزید نمایاں چیلنجز پیدا ہوں گے۔ ہم پالیسی سازوں پر زور دیتے ہیں کہ موجودہ معاشی ماحول میں ان عناصر کا مسابقت کی انڈسٹری پر مجموعی اثرات کے بارے میں غور کریں۔

ہم ان مشکل حالات میں اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون اور ہم پر اعتماد کے لئے تہہ دل سے ممنون ہیں۔



ناصر جمال  
چیف ایگزیکٹو آفیسر

08 اگست، 2024

کراچی





## Tri-Pack Films Limited

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