



Tri-Pack Films Limited

Half Year Ended June, 2023



Our Legacy: Withstanding the Odds

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Company Information

Board of Directors*

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

Chief Executive Officer

Mr. Nasir Jamal

Audit Committee*

Ms. Nermeen Towfiq Chinoy (Chairperson)
Mr. Khurram Raza Bakhtayari
Mr. Asif Qadir
Mr. Shahzeb Haider (Secretary)

Human Resource and Remuneration (HR&R) Committee*

Ms. Nermeen Towfiq Chinoy (Chairperson)
Mr. Asghar Abbas
Mr. Khurram Raza Bakhtayari
Mr. Taimoor Ahmed (Secretary)

Executive Committee*

Syed Hyder Ali (Chairman)
Mr. Asghar Abbas
Mr. Khurram Raza Bakhtayari
Ms. Iqra Sajjad (Secretary)

Chief Financial Officer

Mr. Muhammad Zuhair Damani

Company Secretary

Ms. Iqra Sajjad

Head of Internal Audit

Mr. Soban Waqar

Auditors and Tax Advisor

A.F. Ferguson & Co. Chartered Accountants

Legal Advisors

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

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

Investment Company

Pak Kuwait Investment Company (Private)
Limited

* In alphabetical order by surname

Directors' Review

For the Half Year ended June 30, 2023

The Directors are pleased to present their review report together with the un-audited condensed interim financial information of the Company for the half year ended June 30, 2023.

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

	Half Year ended June 30,	
	2023	2022
Sales Volume (M. Tonnes)	19,188	25,726
Net Sales Value - (Rs Million)	11,527	11,881
Operating profit (Rs Million)	1,706	1,217
Interest cost (Rs Million)	359	508
Exchange loss (Rs Million)	99	27
Profit before tax (Rs Million)	1,271	734
Net Profit (Rs Million)	692	402
Earnings per share (Rs)	17.83	10.37

Overall economic & market conditions remained extremely strenuous, dip in local demand and supply issues due to the foreign exchange crisis faced by the country significantly impacted the local volumes. That forced us to look even more deeply at our internal efficiencies and pricing mechanism, which nicely paid off, as a result, our operating profit of Rs 1,706m was 40% higher compared to SPLY. Interest cost was lower due to aggressive management of working capital.

Rupee devaluation led to recognition of exchange losses to the tune of Rs 99m during first half of the year. The Company reported a profit before tax and net profit of Rs. 1,271 million and Rs. 692 million compared to Rs.734 million and Rs.402 million respectively in SPLY.

Super tax rates have been revised upwards under the Finance Act 2023.

During the first half of the year, we were graced with Diamond Award for "Employer's recognition in Skill Development" by the Employer's Federation of Pakistan on efforts in skill development, Training and Development of Youth/Future workforce. We have been awarded with the 20th Environmental Excellence Award 2022 by National Forum of Environment and Health (NFEH).

Future Outlook

The current uncertain economic and business conditions are expected to improve for the remainder of the year, however normalization would take some time as a result we expect total volumes including exports to be low in coming quarters along with margin normalization.

The project is progressing as per the scheduled timelines. We are facing slight delays in establishment of machinery LCs however, with the removal of restriction on imports we are hopeful that the delivery and commissioning timelines will be achieved without any major delays.

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, August 15, 2023

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, 2023 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 financial statements for the six-month period then 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, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended June 30, 2023.

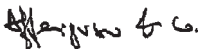
Scope of Review

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 21, 2023

UDIN: RR202310073J2Ny9nSml

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State Life Building No. 1-C, I.I. Chundrigar Road, P.O. Box 4716, Karachi-74000, Pakistan
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■ KARACHI ■ LAHORE ■ ISLAMABAD

Condensed Interim Statement Of Financial Position

As at June 30, 2023

	Note	(Un-audited)	(Audited)
		June 30	December 31
		2023	2022
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	5	8,722,451	7,571,398
Intangibles		14,349	13,648
Long term deposits		25,783	28,033
		<u>8,762,583</u>	<u>7,613,079</u>
CURRENT ASSETS			
Inventories	6	4,030,235	3,701,040
Trade receivables		2,507,508	2,283,807
Advances and prepayments	7	308,951	106,922
Other receivables		883,980	712,034
Refunds due from government - sales tax		267,703	29,886
Income tax refundable		1,040,562	1,313,483
Cash and bank balances		348,124	904,190
		<u>9,387,063</u>	<u>9,051,362</u>
		<u>18,149,646</u>	<u>16,664,441</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		2,566,699	2,068,875
		<u>5,558,806</u>	<u>5,060,982</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term borrowings		2,322,340	2,491,228
Deferred income - government grant		419,169	425,445
Lease liability		35,541	34,655
Deferred taxation - net		392,106	380,374
Staff retirement benefits		100,626	95,347
Accumulated compensated absences		33,199	34,772
		<u>3,302,981</u>	<u>3,461,821</u>
CURRENT LIABILITIES			
Trade and other payables	8	7,386,923	3,024,007
Unclaimed dividend		23,924	21,662
Accrued mark-up		134,852	159,896
Short term borrowings	9	1,174,663	4,324,009
Current portion of lease liability		4,869	3,118
Current portion of long term borrowings		562,628	608,946
		<u>9,287,859</u>	<u>8,141,638</u>
		<u>12,590,840</u>	<u>11,603,459</u>
TOTAL LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
TOTAL EQUITY AND LIABILITIES			
		<u>18,149,646</u>	<u>16,664,441</u>

The annexed notes 1 to 19 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 Half Year Ended June 30, 2023 - (Un-audited)

	Note	Quarter ended June 30		Half year ended June 30	
		2023	2022	2023	2022
(Rupees in thousand)					
Revenue from contracts with customers	11	5,640,884	6,316,133	11,526,642	11,881,056
Cost of sales		(4,428,951)	(5,340,395)	(9,083,647)	(10,136,667)
Gross profit		1,211,933	975,738	2,442,995	1,744,389
Distribution costs		(210,623)	(166,166)	(408,192)	(313,134)
Administrative expenses		(139,489)	(111,779)	(328,477)	(214,456)
		(350,112)	(277,945)	(736,669)	(527,590)
Operating profit		861,821	697,793	1,706,326	1,216,799
Other income		109,789	44,844	128,510	106,436
		971,610	742,637	1,834,836	1,323,235
Other expenses		(74,884)	(28,511)	(106,400)	(54,370)
Finance cost	12	(48,198)	(320,432)	(457,775)	(534,888)
		(123,082)	(348,943)	(564,175)	(589,258)
Profit before income tax		848,528	393,694	1,270,661	733,977
Income tax - net	13	(439,533)	(234,793)	(578,837)	(331,631)
Profit for the period		408,995	158,901	691,824	402,346
Other comprehensive income for the period:					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of staff retirement benefits		-	-	-	-
Total comprehensive income for the period		<u>408,995</u>	<u>158,901</u>	<u>691,824</u>	<u>402,346</u>
Earnings per share - basic and diluted (Rupees)	14	<u>10.54</u>	4.10	<u>17.83</u>	10.37

The annexed notes 1 to 19 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 Half Year Ended June 30, 2023 - (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, 2022	388,000	999,107	1,605,000	1,715,384	4,319,491	4,707,491
Final cash dividend for the year ended December 31, 2021 @ Rs. 13.00 per share	-	-	-	(504,400)	(504,400)	(504,400)
Total comprehensive income for the half year ended June 30, 2022						
- Profit for the half year ended June 30, 2022	-	-	-	402,346	402,346	402,346
- Other comprehensive income for the half year ended June 30, 2022	-	-	-	-	-	-
	-	-	-	402,346	402,346	402,346
Balance as at June 30, 2022	388,000	999,107	1,605,000	1,613,330	4,217,437	4,605,437
Balance as at January 1, 2023	388,000	999,107	1,605,000	2,068,875	4,672,982	5,060,982
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

The annexed notes 1 to 19 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 Half Year Ended June 30, 2023 - (Un-audited)

	Note	Half year ended June 30	
		2023	2022
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	16	5,223,596	1,856,107
Payment on account of accumulated compensated absences		(7,582)	(6,254)
Decrease / (increase) in long term deposits		2,250	(21,650)
Staff retirement benefits paid		(38,454)	(32,122)
Income taxes paid - net		(294,184)	(206,978)
Net cash generated from operating activities		4,885,626	1,589,103
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,166,835)	(344,114)
Purchase of intangible assets		(2,369)	(2,331)
Profit received on bank balances		12,287	1,755
Sale proceeds on disposal of operating fixed assets		3,634	726
Net cash used in investing activities		(1,153,283)	(343,964)
Cash flows from financing activities			
Long term borrowings - net		(564,470)	(234,067)
Short term borrowings - net		(3,250,500)	(1,450,000)
Finance cost paid		(333,778)	(443,196)
Dividend paid		(191,738)	(500,783)
Transaction cost paid		(2,100)	(2,100)
Bank charges paid		(46,977)	(35,182)
Net cash used in financing activities		(4,389,563)	(2,665,328)
Net decrease in cash and cash equivalents		(657,220)	(1,420,189)
Cash and cash equivalents at the beginning of the period		330,681	(1,404,268)
Cash and cash equivalents at the end of the period	17	(326,539)	(2,824,457)

The annexed notes 1 to 19 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 Half Year Ended June 30, 2023 - (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 The prevalent economic conditions of the Country and high inflation are impacting overall business activity including imports. The Company is closely monitoring this situation and is striving to ensure business continuity in these uncertain and challenging economic times.

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, 2022.

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, 2023. 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, 2024. 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, 2022.

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, 2022.

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, 2022.

5. PROPERTY, PLANT AND EQUIPMENT

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

	(Un-audited) June 30	(Audited) December 31
	2023	2022
(Rupees in thousand)		
	5,303,727	5,565,423
	3,267,958	1,859,418
	150,766	146,557
	<u>8,722,451</u>	<u>7,571,398</u>

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

	Additions/Transfers from CWIP (at cost)		Disposals/Transfers (at net book value)	
	June 30 2023	June 30 2022	June 30 2023	June 30 2022
(Rupees in thousand)				
Building and other civil work on leasehold land	15,251	12,055	-	-
Electric installations	3,020	-	-	-
Plant and machinery	102,679	177,066	-	-
Furniture and fittings	5,565	12,663	67	-
Office and other equipments	9,323	9,348	47	113
Vehicles	3,368	8,318	604	-
Major spare parts and stand-by equipments	6,907	33,941	2,698	9,522
	<u>146,113</u>	<u>253,391</u>	<u>3,416</u>	<u>9,635</u>

	(Un-audited) June 30	(Audited) December 31
	2023	2022
(Rupees in thousand)		
6. INVENTORIES		
Stores	118,486	117,908
Spares	583,811	584,296
Stores and spares in transit	3,282	15,343
	<u>705,579</u>	<u>717,547</u>
Less: Provision for obsolescence	<u>(91,520)</u>	<u>(91,520)</u>
	614,059	626,027
Raw materials		
In hand	2,035,081	1,908,965
In transit	359,389	100,544
	<u>2,394,470</u>	<u>2,009,509</u>
Less: Provision for obsolescence	<u>(99,755)</u>	<u>(84,631)</u>
	2,908,774	2,550,905
Packing materials	31,140	37,816
Work in process	744,532	476,251
Finished goods	345,789	636,068
	<u>4,030,235</u>	<u>3,701,040</u>

7. ADVANCES AND PREPAYMENTS

- 7.1** These include Rs. 2.10 million (December 31, 2022: Rs. 40.50 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.
- 7.2** These also include Rs. 96.84 million (December 31, 2022: Rs. 21.61 million) in respect of advances against import of raw material and spares.

8. TRADE AND OTHER PAYABLES

- 8.1** These include Rs. 594.64 million (December 31, 2022: Rs. 594.64 million) with respect to Gas Infrastructure Development Cess (GIDC). During the previous year, the Company stopped making payments of installements as stay order has been obtained by the Company from the Honourable High Court of Sindh.
- 8.2** These also include Rs. 653.45 million (December 31, 2022: Rs. 566.34 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.
- 8.3** These includes liability for imported goods of Rs. 3,908.80 million (December 31, 2022: Rs. 106.35 million)

9. SHORT TERM BORROWINGS	Note	(Un-audited)	(Audited)
		June 30	December 31
		2023	2022
(Rupees in thousand)			
Secured conventional financing			
Short term money market loans	9.1 & 9.2	-	3,750,500
Short term running finance	9.3 & 9.5	668,758	219,929
Secured islamic financing			
Short term istisna cum wakala	9.1 & 9.4	500,000	-
Short term running musharaka	9.4	5,905	353,580
		<u>1,174,663</u>	<u>4,324,009</u>

9.1 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)	
	June 30	December 31	
		2023	2022
(Rupees in thousand)			
Opening balance as at January 1		3,750,500	4,150,000
Utilisation during the period		499,500	5,450,000
Repayment		(3,750,000)	(5,849,500)
Closing balance		<u>500,000</u>	<u>3,750,500</u>

9.2 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 16.19% to 17.34% (December 31, 2022: 8.22% to 17.07%) per annum. These facilities are available for a maximum period of one year from the date of agreement with the latest facility expiring on June 30, 2024.

9.3 Short term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to June 30, 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 16.58% to 22.93% (December 31, 2022: 10.64% to 17.36%).

9.4 This represents istisna facilities aggregating to Rs. 500 million and musharakah facilities aggregating to 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. 994.09 million (December 31, 2022: Rs. 1,146.42 million).

9.5 Total short-term facilities available under mark-up arrangements aggregated Rs. 9,630 million (December 31, 2022: Rs. 9,600 million) out of which the amount unavailed at the period end was Rs. 8,455 million (December 31, 2022: Rs. 5,276 million).

10. CONTINGENCIES AND COMMITMENTS

10.1 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, 2022.

10.2 Commitments

	(Un-audited) June 30	(Audited) December 31
	2023	2022
	(Rupees in thousand)	
- for purchase of raw materials and spares	2,363,382	1,196,879
- for capital expenditure	6,147,173	3,132,404
- for ijarah arrangements of motor vehicles	35,670	41,570

The facilities for opening of letters of credit and for guarantees as at June 30, 2023 amounts to Rs. 22,250 million (December 31, 2022: Rs. 21,250 million) and Rs. 1,724 million (December 31, 2022: Rs. 1,674 million) respectively, of which the amount unutilized was Rs. 10,589 million (December 31, 2022: Rs. 17,041 million) and Rs. 822.09 million (December 31, 2022: Rs. 822.09 million) respectively.

11. REVENUE FROM CONTRACTS WITH CUSTOMERS

	(Un-audited)			
	Quarter ended June 30		Half year ended June 30	
	2023	2022	2023	2022
	(Rupees in thousand)			
Sale of goods less returns:				
- Local	6,127,439	6,488,088	12,729,567	12,117,714
Less: Discounts	(138,874)	(115,653)	(258,030)	(236,183)
Sales tax	(943,159)	(975,625)	(1,926,298)	(1,756,626)
	5,045,406	5,396,810	10,545,239	10,124,905
- Export	595,478	919,323	981,403	1,756,151
	5,640,884	6,316,133	11,526,642	11,881,056

12. FINANCE COST

This includes financial charges on short term borrowings and long term borrowings amounting to Rs. 117.19 million (June 2022: Rs. 322.77 million) and Rs. 191.55 million (June 2022: Rs. 147.68 million) respectively.

This also includes a net amount of Rs. 99.43 million (June 2022: Rs. 26.7 million) in respect of exchange loss.

13. INCOME TAX - NET

- 13.1 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)		
	Half year ended June 30		
Note	2023	2022	
	(Rupees in thousand)		
Current tax	491,417	223,719	
Deferred tax	11,710	3,501	
Prior year tax	75,710	104,411	
	578,837	331,631	

- 13.2 This represents additional super tax provision for tax year 2023 as per the Finance Act, 2023.

		(Un-audited)			
		Quarter ended June 30		Half year ended June 30	
14. EARNINGS PER SHARE		2023	2022	2023	2022
(Rupees in thousand)					
Profit after taxation attributable to ordinary shareholders		408,995	158,901	691,824	402,346
(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		10.54	4.10	17.83	10.37

14.1 There were no convertible dilutive potential ordinary shares outstanding on June 30, 2023 and 2022.

15. TRANSACTIONS WITH RELATED PARTIES

		(Un-audited)	
		Half year ended June 30	
Nature of transaction	Nature of relationship	2023	2022
(Rupees in thousand)			
Group shared cost	Parent company	28,466	19,228
Group shared cost	Associated undertaking	234	263
Purchase of goods and services	Associated undertaking	207,213	104,370
Sale of goods and services	Associated undertaking	1,385,747	1,342,731
Donations	Associated undertaking	12,000	-
Dividend paid	Associated undertaking and Directorship	161,819	420,722
Contributions to staff retirement benefit funds	Retirement benefit funds	42,947	37,685
Salaries and other short term employees' benefits	Key management personnel*	80,889	64,676

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

(Un-audited)
Half year ended June 30

16. CASH GENERATED FROM OPERATIONS	Note	(Rupees in thousand)	
		2023	2022
Profit before income tax		1,270,661	733,977
Adjustment for non-cash charges and other items:			
Depreciation		400,182	406,954
Amortization expense		1,668	2,497
Provision for staff retirement benefits		43,733	38,290
Profit on bank balances		(12,287)	(1,755)
Gain on disposal of operating fixed assets		(2,916)	(614)
Provision for accumulated compensated absences - net		6,009	3,180
Government grant recognised in income		(2,230)	(7,029)
Exchange loss / (gain) - unrealised		93,355	(19,649)
Finance cost		358,348	508,160
Working capital changes	16.1	3,067,073	192,096
		5,223,596	1,856,107

16.1 Working capital changes

(Increase) / decrease in current assets:

Inventories	(329,195)	246,926
Trade receivables	(223,701)	(575,352)
Advances and prepayments	(239,829)	(28,096)
Refunds due from government - sales tax	(237,817)	112,973
Other receivables	(171,946)	(267,812)
	(1,202,488)	(511,361)
Increase in trade and other payables	4,269,561	703,457
	3,067,073	192,096

17. CASH AND CASH EQUIVALENTS

Cash and bank balances		348,124	302,265
Short term running finance	9	(674,663)	(3,126,722)
		(326,539)	(2,824,457)

Half year ended June 30

18. PLANT CAPACITY AND ACTUAL PRODUCTION

	(Metric tonnes)	
	2023	2022
Operational capacity available during the period	41,900	41,900
Production	18,790	24,849

19. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 15, 2023 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 ششماہی مختتمہ 30 جون 2023

ڈائریکٹرز اپنی جائزہ رپورٹ مع کمپنی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی اسٹیٹمنٹس برائے ششماہی مختتمہ 30 جون 2023 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔
صحت اور ماحولیات (SHE) کی پالیسیز، طریقہ کار اور ضوابط پر عمل درآمد کا عزم ہماری اولین ترجیح ہے۔

ششماہی مختتمہ 30 جون

2022	2023
25,726	19,188
11,881	11,527
1,217	1,706
508	359
27	99
734	1,271
402	692
10.37	17.83

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

مجموعی طور پر معیشت اور مارکیٹ کے حالات سختی کا شکار رہے، ملک کو غیر ملکی زرمبادلہ کے بحران کے باعث طلب اور رسد کے شدید مسائل پیدا ہوئے جس نے مقامی حجم پر نمایاں اثرات مرتب کئے۔ اس صورتحال نے ہمیں اپنی اندرونی استعداد اور قیمتوں کو منظم کرنے کے لئے زیادہ گہرائی سے غور و خوض پر مجبور کر دیا جس کو عمدگی کے ساتھ حل کر لیا گیا اور اس کے نتیجے میں ہمارا آپریٹنگ منافع 1,706 ملین روپے رہا جو گزشتہ مالی سال کے اسی عرصے کے منافع سے 40% زیادہ ہے۔ جاری سرمایہ کاری کی پرجوش مینجمنٹ کے سبب سود کی لاگت کم رہی۔

سال کی پہلی ششماہی کے دوران روپے کی قدر میں کمی کے باعث زرمبادلہ کے نقصانات 99 ملین روپے تک پہنچ گئے۔ کمپنی کو قبل از ٹیکس منافع اور خالص منافع کی مد میں باہر ترتیب 1,271 ملین روپے اور 692 ملین روپے حاصل ہوئے جو گزشتہ سال کی اسی مدت میں باہر ترتیب 734 ملین روپے اور 402 ملین روپے تھے۔

فنانس ایکٹ 2023 کے تحت سپر ٹیکس کی شرح تبدیل کر کے اس میں اضافہ کیا گیا۔

سال کی پہلی ششماہی کے دوران ہمیں ایپلائز فیڈریشن آف پاکستان کی جانب سے ”ایپلائز ریگولیشن این اسکیل ڈویلپمنٹ“ کے لئے ڈائمنڈ ایوارڈ کا اعزاز حاصل ہوا جو نوجوانوں/مستقبل کی افرادی قوت کی صلاحیتوں کو ابھارنے، تربیت دینے اور ترقی کے لئے ہماری کوششوں کے اعتراف میں دیا گیا۔ ہمیں نیشنل فورم آف انوومنٹ اینڈ ہیلتھ (این ایف ای ایچ) کی جانب سے بھی 20 واں ایگسٹس ایوارڈ بھی دیا گیا۔

مستقبل کا منظر نامہ

ہمیں توقع ہے کہ سال کے بقیہ حصے میں معاشی اور کاروباری حالات کی موجودہ غیر یقینی کیفیت میں بہتری آئے گی، تاہم اس کے معمول پر آنے میں کچھ وقت لگے گا اور اس کے باعث ہمیں توقع ہے کہ آنے والی سہ ماہیوں میں کل حجم بشمول برآمدات، مارجن کے نادل ہونے کے ساتھ کم رہے گا۔

ہمارا پروجیکٹ مقرر کردہ مدت کے مطابق آگے بڑھ رہا ہے۔ ہمیں مشینری کی لبل سیز کھولنے میں کچھ تاخیر کا سامنا ہے، بہر حال، درآمدات پر پابندیاں ہٹ جانے سے، ہمیں قوی امید ہے کہ ہمارے پروجیکٹ کے مکشنگ کسی بڑی تاخیر کے بغیر بروقت ہو جائے گی۔

ہم اپنے تمام اسٹیک ہولڈرز کے مسلسل تعاون اور مشکل وقت میں ہم پر بھروسہ کرنے پر ان کے تہہ دل سے شکر گزار ہیں۔



نصر جمال
چیف ایگزیکٹو آفیسر

کارپوری: 15 اگست، 2023