



Tri-Pack Films Limited



Celebrating Partnerships

Half Year Report
June, 2018

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Company Information

BOARD OF DIRECTORS

Syed Babar Ali (Chairman)
Syed Hyder Ali*
Mr. Kimihide Ando
Mr. Khurram Raza Bakhtayari
Mr. Yukio Hayasawa
Syed Aslam Mehdi
Mr. Asif Qadir

CHIEF EXECUTIVE OFFICER

Mr. Nasir Jamal

AUDIT COMMITTEE

Mr. Asif Qadir (Chairman)
Mr. Kimihide Ando*
Mr. Khurram Raza Bakhtayari
Mr. Yukio Hayasawa

EXECUTIVE COMMITTEE

Mr. Kimihide Ando (Chairman)
Syed Hyder Ali*
Mr. Khurram Raza Bakhtayari
Syed Aslam Mehdi

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Asif Qadir (Chairman)
Mr. Kimihide Ando*
Mr. Khurram Raza Bakhtayari
Syed Aslam Mehdi

HEAD OF FINANCE

Mr. Shafiq Afzal Khan

COMPANY SECRETARY

Mr. Adi J. Cawasji

AUDITORS AND TAX ADVISOR

A. F. Ferguson & Co.
Chartered Accountants

LEGAL ADVISOR

Sattar & Sattar

SHARES REGISTRAR

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

WEBSITE

www.tripack.com.pk

REGISTERED OFFICE

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

BANKERS

Al-Baraka Bank (Pakistan) Limited
Allied Bank Limited
Askari Bank Limited
Bank Alfalah Limited
Bank AL Habib Limited
BankIslami Pakistan Limited
Dubai Islamic Bank (Pakistan) Limited
Faysal Bank Limited
Habib Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
Standard Chartered Bank (Pakistan) Limited
The Bank of Tokyo - Mitsubishi UFJ, Ltd
United Bank Limited

REGIONAL SALES & HEAD OFFICE

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

WORKS

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

WORKS & REGIONAL SALES OFFICE

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

REGIONAL SALES OFFICE

Plot No. 5 FC. C,
Maratib Ali Road,
Gulberg II, Lahore.
Tel: (042) 35716068-70
Fax: (042) 35716071

* In alphabetical order by surname

Directors' Review

For the Half Year Ended June 30, 2018

The Directors are pleased to present their review report together with the un-audited condensed interim financial information on the Company for the half year ended June 30, 2018.

The Company remained committed to the Safety, Health and Environment (SHE) policies and procedures.

	Half Year Ended June 30	
	2018	2017
Sales Volume (M. Tonnes)	25,261	25,536
Revenue (Rs M)	6,507	6,062
Profit before tax (Rs M)	237	502
Profit after tax (Rs M)	187	336
Earnings per share (Rs)	4.82	8.65

Overall Volumes were lower by only 1% compared to same period last year despite major new capacities coming on live compared to same period last year. Net revenue at Rs 6.5 billion was higher by 7% primarily on account of higher prices resulting from depreciation in Pak Rupee value against major currencies.

Raw material prices increased by more than 15% compared to same period last year. However, film selling prices increased by only 9% due to high exchange rate volatility and a general lag of thirty to forty five days in conversion of raw material cost escalation into prices further affected by excessive supplies in the domestic market. Resultantly, despite control on operational cost, gross margins during the half year were lower compared to corresponding period last year.

Administrative expenses were lower by 13% compared to same period last year where as Distribution expenses were higher by 10% mainly due to average fuel prices higher by 18% compared to same period last year.

Finance cost for the half year ended was higher by 36% mainly due to exchange loss of Rs 16 million on account of depreciation of Pak Rupee against major currencies, rise in policy rate by the State Bank of Pakistan and increased working capital requirements due to conversion of import letter of credit from usance to sight terms to minimize the impact of depreciation of Pak Rupee against major currencies, which allowed in saving of Rs 101 million for Rupee depreciation.

Profit before tax for the half year ended at Rs 237 million was 53% lower compared to corresponding period last year. Profit after tax for the half year ended was Rs 187 million compared to Rs 336 million in the corresponding period last year.

Future Outlook

We see improvement in business confidence which is expected to bode well for volumes. In Q3 due to major upgrade for our BOPP line we may see some impact on volumes and profitability.

We are grateful to all our stakeholders for their continued support.



Nasir Jamal
Chief Executive Officer

Karachi, August 16, 2018

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, 2018 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 half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this 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 financial statements based on our review. The figures of the condensed interim statement of profit or loss for the quarters ended June 30, 2018 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2018.

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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.



A.F. Ferguson & Co.
Chartered Accountants
Karachi

Date: August 20, 2018

Name of the Engagement Partner: Farrukh Rehman

Condensed Interim Balance Sheet

As at June 30, 2018

		(Un-audited) June 30	(Audited) December 31
	Note	2018	2017
(Rupees in thousand)			
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	4	6,089,753	6,174,706
Intangibles		3,215	4,330
Long term deposits		4,466	4,299
		<u>6,097,434</u>	<u>6,183,335</u>
CURRENT ASSETS			
Stores and spares		430,551	399,846
Stock-in-trade	5	2,305,009	1,454,257
Trade debts - net		2,033,094	1,653,372
Advances and prepayments	6	238,730	98,112
Other receivables		104,835	112,346
Refunds due from the government - sales tax		163,153	32,762
Income tax - net		1,169,267	1,055,560
Cash and bank balances		160,005	205,024
		<u>6,604,644</u>	<u>5,011,279</u>
TOTAL ASSETS		<u>12,702,078</u>	<u>11,194,614</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		388,000	388,000
Share premium		999,107	999,107
Revenue reserves		2,366,232	2,567,362
		<u>3,753,339</u>	<u>3,954,469</u>
LIABILITIES			
NON CURRENT LIABILITIES			
Long term finances		863,831	1,424,024
Deferred taxation		260,286	264,936
Accumulated compensated absences		34,021	34,160
		<u>1,158,138</u>	<u>1,723,120</u>
CURRENT LIABILITIES			
Trade and other payables	7	2,081,526	1,663,747
Accrued mark-up		67,138	60,019
Short term borrowings	8	4,417,690	2,569,012
Current portion of long term finances		1,224,247	1,224,247
		<u>7,790,601</u>	<u>5,517,025</u>
TOTAL LIABILITIES		<u>8,948,739</u>	<u>7,240,145</u>
CONTINGENCIES AND COMMITMENTS	9		
TOTAL EQUITY AND LIABILITIES		<u>12,702,078</u>	<u>11,194,614</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Kimihide Ando
Director



Shafiq Afzal Khan
Chief Financial Officer

Condensed Interim Profit & Loss Account

For the Half Year Ended June 30, 2018 - (Un-audited)

Note	Quarter ended June 30		Half year ended June 30		
	2018	2017	2018	2017	
(Rupees in thousand)					
Revenue	10	3,389,558	3,173,072	6,507,197	6,061,715
Cost of sales		(2,961,945)	(2,636,111)	(5,733,336)	(5,047,931)
Gross profit		427,613	536,961	773,861	1,013,784
Distribution costs		(98,811)	(88,736)	(187,183)	(169,684)
Administrative expenses		(72,414)	(85,123)	(144,267)	(165,627)
		(171,225)	(173,859)	(331,450)	(335,311)
Operating profit		256,388	363,102	442,411	678,473
Other income		17,310	7,966	28,622	18,588
		273,698	371,068	471,033	697,061
Other expenses		(12,901)	(20,367)	(19,641)	(37,267)
Finance cost		(113,799)	(80,664)	(214,739)	(157,320)
		(126,700)	(101,031)	(234,380)	(194,587)
Profit before income tax		146,998	270,037	236,653	502,474
Income tax	11	(33,331)	(117,552)	(49,783)	(166,865)
Profit for the period		113,667	152,485	186,870	335,609
Earnings per share - basic and diluted (Rupees)	12	2.93	3.93	4.82	8.65

There are no other comprehensive income items during this period.

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Kimihide Ando
Director



Shafiq Afzal Khan
Chief Financial Officer

Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2018 - (Un-audited)

	Issued, subscribed and paid up share capital	Reserves			Total	
		Capital	Revenue			
		Share Premium	General reserve	Unappropri- ated profit		Total Reserves
(Rupees in thousand)						
Balance as at January 1, 2017	388,000	999,107	1,605,000	808,711	3,412,818	3,800,818
Final cash dividend for the year ended December 31, 2016 @ Rs 10.00 per share	-	-	-	(388,000)	(388,000)	(388,000)
Total comprehensive income for the half year ended June 30, 2017						
- Profit after taxation for the half year ended June 30, 2017	-	-	-	335,609	335,609	335,609
- Other comprehensive income for the half year ended June 30, 2017	-	-	-	-	-	-
	-	-	-	335,609	335,609	335,609
Balance as at June 30, 2017	388,000	999,107	1,605,000	756,320	3,360,427	3,748,427
Balance as at January 1, 2018	388,000	999,107	1,605,000	962,362	3,566,469	3,954,469
Final cash dividend for the year ended December 31, 2017 @ Rs 10.00 per share	-	-	-	(388,000)	(388,000)	(388,000)
Total comprehensive income for the half year ended June 30, 2018						
- Profit after taxation for the half year ended June 30, 2018	-	-	-	186,870	186,870	186,870
- Other comprehensive income for the half year ended June 30, 2018	-	-	-	-	-	-
	-	-	-	186,870	186,870	186,870
Balance as at June 30, 2018	388,000	999,107	1,605,000	761,232	3,365,339	3,753,339

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Kimihide Ando
Director



Shafiq Afzal Khan
Chief Financial Officer

Condensed Interim Cash Flow Statement

For the Half Year Ended June 30, 2018 - (Un-audited)

	Note	Half year ended June 30	
		2018	2017
		(Rupees in thousand)	
Cash flows from operating activities			
Cash (used in) / generated from operations	14	(260,660)	368,624
Payment on account of accumulated compensated absences		(4,639)	(6,778)
Increase in long term deposits		(167)	(1,141)
Staff retirement benefits paid		(108,172)	(29,577)
Income taxes paid		(168,140)	(121,660)
Net cash (used in) / generated from operating activities		(541,778)	209,468
Cash flows from investing activities			
Purchase of property, plant and equipment		(231,558)	(213,093)
Purchase of intangible assets		(348)	(1,594)
Profit received on bank balances		289	296
Sale proceeds on disposal of operating fixed assets		5,642	5,806
Net cash used in investing activities		(225,975)	(208,585)
Cash flows from financing activities			
Long term finances paid		(560,193)	(456,329)
Short term financing - net		1,820,000	877,590
Finance cost paid		(192,139)	(145,335)
Dividend paid		(373,612)	(385,245)
Net cash generated from / (used in) financing activities		694,056	(109,319)
Net decrease in cash and cash equivalents		(73,697)	(108,436)
Cash and cash equivalents at the beginning of the period		(221,988)	64,816
Cash and cash equivalents at the end of the period	15	(295,685)	(43,620)

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.



Nasir Jamal
Chief Executive Officer



Kimihide Ando
Director



Shafiq Afzal Khan
Chief Financial Officer

Notes to and Forming Part of the Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 - (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Tri-Pack Films Limited (the Company) was incorporated in Pakistan as a public limited company on April 29, 1993 under the repealed Companies Ordinance, 1984 (the Ordinance) and is listed on the Pakistan Stock Exchange. It is principally engaged in the manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) film and Cast Polypropylene (CPP) film. The registered office of the Company is situated at 4th floor, the Forum, Suite No. 416 to 422, G-20, Block-9, Khayaban-e-Jami, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

These condensed interim financial statements do not include all the information required to be contained in the annual financial statements and, therefore, should be read in conjunction with the annual audited financial statements of the Company for the year ended December 31, 2017.

2.2 Changes in accounting standards, interpretations and pronouncements

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

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2018, that may have an impact on the financial statements of the Company.

- IFRS 9 'Financial instruments' - This standard replaces the guidance in IAS 39. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.
- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts and the related interpretations on revenue recognition.
- IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

The management believes that the impact of changes laid down by these standards does not have a significant impact on the Company's financial statements.

3. ACCOUNTING ESTIMATES, JUDGEMENTS AND FINANCIAL RISK MANAGEMENT

The preparation of these condensed interim financial statements 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 financial statements as at and for the year ended December 31, 2017.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2017.

4. PROPERTY, PLANT AND EQUIPMENT

	(Un-audited) June 30	(Audited) December 31
	2018	2017
	(Rupees in thousand)	
Operating fixed assets	5,671,643	5,924,129
Capital work in progress	386,498	230,483
Major spare parts and stand-by equipments	31,612	20,094
	6,089,753	6,174,706

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

	Additions/Transfer from CWIP (at cost)		Disposals/Transfer (at net book value)	
	June 30 2018	June 30 2017	June 30 2018	June 30 2018
	(Rupees in thousand)			
Building and other civil work				
on leasehold land	3,954	23,737	-	-
Plant and machinery	51,704	190,053	-	-
Furniture and fittings	4,754	3,989	133	57
Office and other equipments	3,613	6,144	92	-
Vehicles	-	-	2,119	5,312
Major spare parts and stand-by equipment	12,744	1,226	1,226	9,050
	76,769	225,149	3,570	14,419

	(Un-audited) June 30	(Audited) December 31
	2018	2017
(Rupees in thousand)		
5. STOCK-IN-TRADE		
Raw materials		
In hand	1,030,149	599,461
In transit	560,259	267,042
	1,590,408	866,503
Packing materials	26,937	24,343
Work in process	392,047	314,965
Finished goods	295,617	248,446
	2,305,009	1,454,257

6. ADVANCES AND PREPAYMENTS

- 6.1 This includes Rs. 200.04 million (December 31, 2017: Rs. 84.73 million) in respect of advances against import of raw material and spares.

7. TRADE AND OTHER PAYABLES

- 7.1 This includes Rs. 701.73 million (December 31, 2017: Rs. 627.48 million) in respect of Gas Infrastructure Development Cess (GIDC) which has not been paid as stay order has been obtained by the Company in the Honourable High Courts of Sindh and Peshawar against demand and collection under GIDC Act 2015.
- 7.2 This includes amount in respect of Cess for special maintenance and development of infrastructure which was initially levied under the Sindh Finance Act, 1994 and was superseded last year by a new act promulgated by the Sindh Assembly under the name "The Sindh Development and Maintenance of Infrastructure Cess Act, 2017". Liability in this respect amounts to Rs. 115.62 million (December 31, 2017: Rs. 87.04 million) which has not been paid as stay order has been obtained by the Company in the Honourable High Court of Sindh.

	(Un-audited) June 30	(Audited) December 31
	2018	2017
(Rupees in thousand)		
8. SHORT TERM BORROWINGS		
Secured		
Short term running finance	8.2 455,690	427,012
Short term money market loans	8.3 3,962,000	2,142,000
	4,417,690	2,569,012

8. SHORT TERM BORROWINGS

- 8.1 Following are the changes in the short-term money market loans (i.e. for which cash flows have been classified as financing activities in the statement of cash flows:

	(Un-audited) June 30	(Audited) December 31
	2018	2017
(Rupees in thousand)		
Balance as at January 01	2,142,000	400,000
Disbursements during the period / year	7,624,000	4,926,200
Repayment	(5,804,000)	(3,184,200)
	3,962,000	2,142,000

- 8.2 Short-term running finances have been obtained under mark-up arrangements from commercial banks payable on various maturity dates up to January 31, 2019. These facilities are secured by joint hypothecation by way of first floating charge over current assets including but not limited to stores and spares, stock in trade and trade debts. Rate of mark-up applicable to these facilities ranges between 6.27% to 7.57% (2017: 6.09% to 6.81%).
- 8.3 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 6.16% to 7.13% (2017: 6.08% to 6.57%) per annum. These facilities are available for a maximum period of one year from the date of agreement with the latest facility expiring on January 31, 2019.
- 8.4 Total facilities available under mark-up arrangements aggregated Rs. 7.10 billion (December 31, 2017: Rs. 7.10 billion) out of which the amount unavailed at the period end was Rs. 2.68 billion (December 31, 2017: Rs. 4.53 billion). Running finance facility amounting to Rs. 1.40 billion (December 31, 2017: Rs. 1.40 billion) is sub-limit of letter of credit.

9. CONTINGENCIES AND COMMITMENTS

Contingencies

Guarantees issued by banks on behalf of the Company

(Un-audited) June 30	(Audited) December 31
2018	2017
(Rupees in thousand)	

354,895	354,605
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Commitments

- for purchase of raw materials and spares
- for capital expenditure

546,714	757,189
244,631	118,310

- 9.1 Aggregate commitments in respect of ijarah arrangements of motor vehicles amounted to Rs. 25.17 million (December 31, 2017: Rs. 25.5 million.)
- 9.2 The facilities for opening of letter of credits and for guarantees as at June 30, 2018 amount to Rs. 10.77 billion (December 31, 2017: Rs. 10.77 billion) and Rs. 1.08 billion (December 31, 2017: Rs. 1.08 billion) respectively, of which the amount remaining unutilised was Rs. 9.55 billion (December 31, 2017: Rs. 9.75 billion) and Rs. 720.1 million (December 31, 2017: Rs. 720.4 million) respectively. Letter of guarantee is sub-limit of running finance except for Rs. 50 million (December 31, 2017: Rs. 50 million) which is sub-limit of letter of credit.
- 9.3 There has been no change in the status of contingencies reported in the financial statements for the year ended December 31, 2017.

Quarter ended June 30		Half year ended June 30	
2018	2017	2018	2017
(Rupees in thousand)			

10. REVENUE

Sale of goods less returns:

- Local	4,110,685	3,733,979	7,811,490	7,165,083
Less: Sales tax	(597,022)	(538,398)	(1,133,135)	(1,041,714)
Discounts	(158,050)	(80,279)	(272,279)	(163,083)
	<u>3,355,613</u>	<u>3,115,302</u>	<u>6,406,076</u>	<u>5,960,286</u>
- Export	33,945	57,770	101,121	101,429
	<u>3,389,558</u>	<u>3,173,072</u>	<u>6,507,197</u>	<u>6,061,715</u>

11. INCOME TAX

- 11.1 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.
- 11.2 This includes current year and prior year charge for super tax amounting to Rs. 3.7 million (June 30, 2017: Nil) and Rs. 23.5 million (June 30, 2017: Rs. 26.3 million) respectively imposed for rehabilitation of temporarily displaced persons under section 4B of the Income Tax Ordinance, 2001 (as inserted by Finance Act 2018).
- 11.3 Current period tax charge is net of tax credit under section 65B of Income Tax Ordinance, 2001 on fixed asset additions made in respect of upgradation of plant and machinery.

Quarter ended June 30		Half year ended June 30	
2018	2017	2018	2017
(Rupees in thousand)			

12. EARNINGS PER SHARE

Profit after taxation attributable to ordinary shareholders	113,667	152,485	186,870	335,609
Weighted average number of ordinary shares outstanding at the end of the period	38,800	38,800	38,800	38,800
Earnings per share - basic and diluted (Rupees)	2.93	3.93	4.82	8.65

- 12.1 There were no convertible dilutive potential ordinary shares outstanding on June 30, 2018 and 2017.

13. TRANSACTIONS WITH RELATED PARTIES

(Un-audited) Half year ended June 30	
2018	2017
(Rupees in thousand)	

Transactions with related parties are as follows:

Nature of transaction	Nature of relationship	2018	2017
Purchase of goods and services	Associated company	222,252	200,717
Sale of goods and services	Associated company	1,075,847	545,227
Commission earned	Associated company	3,046	3,875
Dividend paid	Associated company and Directorship	258,678	257,848
Contributions to staff retirement benefit funds - note 13.1	Retirement benefit funds	107,455	29,982
Salaries and other short term employees' benefits	Key management personnel	46,144	62,574

- 13.1 This includes special contribution made to gratuity fund amounting to Rs. 81.47 million after seeking Commissioner's approval as per Income Tax Rules, 2002.

14. CASH (USED IN) / GENERATED FROM OPERATIONS

Note	(Un-audited)	(Un-audited)
	Half year ended June 30	Half year ended June 30
	2018	2017
	(Rupees in thousand)	
Profit before income tax	236,653	502,474
Adjustment for non-cash charges and other items:		
Depreciation	314,167	302,288
Amortization expense	1,463	1,333
Provision for staff retirement benefits	41,436	29,982
Profit on bank balances	(289)	(296)
Gain on disposal of operating fixed assets	(3,298)	(437)
Provision for accumulated compensated absences - net	4,500	3,000
Exchange loss - unrealised	(446)	4,080
Finance cost	199,258	145,967
Working capital changes	14.1 (1,054,104)	(619,767)
	<u>(260,660)</u>	<u>368,624</u>

14.1 Working capital changes

(Increase) / decrease in current assets:

Stores and spares	(30,705)	(3,145)
Stock-in-trade	(850,752)	(206,436)
Trade debts - net	(379,722)	(138,660)
Advances and prepayments	(140,618)	(39,032)
Refunds due from the government - sales tax	(130,391)	(74,463)
Other receivables	7,511	12,243
	<u>(1,524,677)</u>	<u>(449,493)</u>
Increase / (decrease) in trade and other payables	470,573	(170,274)
	<u>(1,054,104)</u>	<u>(619,767)</u>

15. CASH AND CASH EQUIVALENTS

Cash and bank balances		160,005	197,183
Short term running finance	8	(455,690)	(240,803)
		<u>(295,685)</u>	<u>(43,620)</u>

16. PLANT CAPACITY AND ACTUAL PRODUCTION

	(Metric tonnes)	
Operational capacity available during the period	41,900	41,900
Production	<u>25,293</u>	<u>26,049</u>

17. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 16, 2018 by the Board of Directors of the Company.



Nasir Jamal
Chief Executive Officer



Kimihide Ando
Director



Shafiq Afzal Khan
Chief Financial Officer

ڈائریکٹرز کا جائزہ

برائے سہ ماہی تختہ 30 جون 2018

ڈائریکٹرز بمسرت اپنی جائزہ رپورٹ مع کمپنی کی غیر آڈٹ شدہ عبوری مالیاتی معلومات کا خلاصہ برائے سہ ماہی تختہ 30 جون 2018 پیش کرتے ہیں۔ کمپنی نے اس سہ ماہی میں بھی حفاظت، صحت اور ماحولیات (SHE) کے تقاضوں کی تکمیل کی۔

تختہ سہ ماہی 30 جون 2018

2017	2018	
25,536	25,261	فروخت کا حجم (میٹرک ٹن)
6,062	6,507	فروخت سے حاصل ہونے والی خالص آمدنی (ملین روپے)
502	237	منافع قبل از ٹیکس (ملین روپے)
336	187	منافع بعد از ٹیکس (ملین روپے)
8.65	4.82	منافع فی حصہ (روپے)

مجموعی فروخت کا حجم گزشتہ سال کی اسی مدت کے مقابلے میں 1% کم رہا اور جو اس کے گزشتہ سال کی اسی مدت کے مقابلے میں بازار میں گنجائش پیدا ہوئیں۔ اس مرتبہ فروخت سے حاصل ہونے والی آمدنی 6.5 ملین روپے ہوئی جو کہ 7% زیادہ ہے۔ اس کی وجہ قیمتوں میں اضافہ تھی جو کہ دیگر بڑی کرنسیوں کے مقابلے میں پاکستانی روپے کی قدر میں کمی باعث ہوا۔

خام مال کی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 15% سے زیادہ اضافہ ہوا۔ تاہم مصنوعات کی قیمت فروخت میں صرف 9% میں اضافہ ہو جو زرمبادلہ کی شرح میں تبدیلی اور خام مال کی قیمتوں میں اضافے سے ہوا جس کے اثرات 30 سے 45 روز کے وقفے کے بعد بحال ہوئے ہیں اور مزید مقامی بازار میں اضافی ریسرڈ سے قیمت فروخت میں اثر پڑا۔ اس کے نتیجے میں، آپریشنل لاگت پر کنٹرول کے باوجود، گزشتہ سال کی اسی مدت کے مقابلے میں اس سہ ماہی میں خام منافع میں اضافہ ہوا۔ انتظامی اخراجات گزشتہ سال کی اسی مدت کے مقابلے میں 13% کمی آئی جب کہ تقسیم کاری کے اخراجات میں 10% اضافہ ہوا جس کی وجہ تیل کی قیمتوں میں گزشتہ سال کی اسی مدت کے مقابلے میں 18% اضافہ ہے۔

اس سہ ماہی میں مالیاتی لاگت میں 36% اضافہ ہوا جو کہ زرمبادلہ کے 16 ملین روپے کا نقصان پاکستانی روپے کی قدر میں کمی، اسٹیٹ بینک آف پاکستان کی جانب سے شرح سود میں اضافے کے علاوہ پاکستانی روپے کی قدر کے نقصان کو کم کرنے کے لئے درآمد کی کریڈٹ کی مدت کو کم کرنے کے باعث جاری سرمایہ میں اضافہ ہے۔ جس کے سبب 10 ملین روپے کی بچت ہوئی۔

تختہ سہ ماہی میں منافع قبل از ٹیکس 237 ملین روپے رہا جو کہ گزشتہ سال کے اسی عرصہ کے مقابلے میں 53% کم ہے۔ تختہ سہ ماہی میں منافع بعد از ٹیکس 187 ملین روپے رہا جو کہ اس کے مقابلے میں گزشتہ سال کے اسی مدت کے دوران 336 ملین روپے تھا۔

مستقبل کے امکانات

ہمیں کاروباری اعتماد میں بہتری نظر آ رہی ہے اور توقع ہے کہ اس میں دن بدن تیزی سے اضافہ ہوگا۔ نیز تیسری سہ ماہی میں ہماری BOPP لائن کے اہم اپ گریڈ ہونے سے ہمارے کاروباری حجم اور منفعت پر اثر پڑے گا۔ ہم اپنے تمام اسٹیک ہولڈرز کے مستقل تعاون پر ان کے شکر گزار ہیں۔



ناصر جمال
چیف ایگزیکٹو آفیسر

کراچی، 16 اگست، 2018ء



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