

Registered Office

4th Floor, The Forum, Suite No.416-422
G-20, Block No. 9, Clifton, Khayaban-e-Jami, Karachi-75600, Pakistan.
Tel: 92 21-3587 4047-49, 3583 1618 Fax: 92 21-3586 0251





Tri-Pack Films Limited

Enhancing
Technological
Competence



First Quarter Ended March 2010

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Company Information

Board of Directors

Syed Babar Ali (Chairman)
 Shahid Hussain (Chief Executive)
 Khalid Yacob
 Masaharu Domichi
 Faisal Farid
 Syed Hyder Ali
 Tetsuo Obana

Audit Committee

Khalid Yacob (Chairman)
 Masaharu Domichi
 Faisal Farid
 Tetsuo Obana

Company Secretary

Adi J. Cawasji

Chief Financial Officer

Amjad Ali

Auditors and Tax Advisor

A. F. Ferguson & Co.
 Chartered Accountants

Legal Advisor

Sattar & Sattar
 Khan & Paracha

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

Askari Bank Limited
 Bank Alfalah Limited
 Bank Al Habib Limited
 BankIslami Pakistan Limited
 Barclays Bank PLC, Pakistan
 Deutsche Bank A.G.
 Faysal Bank Limited
 HSBC Bank Middle East Limited
 MCB Bank Limited
 Meezan Bank Limited
 NIB Bank Limited
 Standard Chartered Bank Limited
 The Bank of Khyber
 The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Head Office & Works

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

Works & Sales Office

Hattar
 Plot No. 78/1, Phase IV,
 Hattar Industrial Estate,
 Hattar, N.W.F.P.
 Tel: (0995) 617406-7
 Fax: (0995) 617054

Regional Sales Offices

Karachi
 101-106, Marine Pride, Block 7,
 Clifton, Karachi- 75600.
 Tel: (021) 35871801-2
 Fax: (021) 35871803

Lahore

305, Siddique Trade Centre,
 Main Boulevard, Gulberg II, Lahore.
 Tel: (042) 35781982-3
 Fax: (042) 35781985

Directors' Report to the Shareholders

The Directors are pleased to present quarterly report along with the un-audited financial statements of the Company for the quarter ended March 31, 2010.

Financial Performance

Your Company has performed satisfactorily in the first quarter of 2010, and achieved higher sales volume and net profit than the corresponding period of last year. Comparative financial results are as under:

		1st Quarter 2010	1st Quarter 2009
Sales volume	- (Metric tonnes)	8,573	7,543
Sales value	- (Rs million)	1,719	1,309
Net profit	- (Rs million)	87	84
Earnings per share (EPS)	- (Rs)	2.91	2.79

Your Company has managed to achieve higher sales volume as a result of optimum operational efficiencies, and implementation of waste reduction measures.

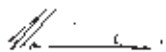
Future Outlook

The de-bottlenecking of line 3 was successfully completed in April 2010 adding about 2,000 tonnes to the existing BOPP film manufacturing capacity. In the environment of consistent growth in the local market, with this additional capacity, your Company is in a better position to further improve its sales volumes and margins during the year 2010.

Acknowledgement

The Company wishes to record its appreciation for the patronage of customers and continued efforts of its employees.

On behalf of the board



Shahid Hussain
Chief Executive

Karachi – April 26, 2010

Condensed Interim Balance Sheet

as at March 31, 2010 (Unaudited-note 2.1)

	Note	March 31, 2010 (Rs '000)	December 31, 2009 (Rs '000)
Share Capital and Reserves			
Authorised capital		1,000,000	1,000,000
Issued, subscribed and paid-up capital		300,000	300,000
Reserves		1,083,510	1,296,280
		1,383,510	1,596,280
Non-current Liabilities			
Long-term finances	3	500,000	608,000
Deferred Liabilities			
Deferred taxation		253,539	267,061
Accumulated compensated absences		10,938	10,291
Current Liabilities and Provisions			
Current portion of long-term finances	3	216,000	216,000
Short-term finances	4	620,293	606,312
Trade and other payables	5	1,388,333	1,163,309
Accrued mark-up		30,069	49,574
		2,254,695	2,035,195
Contingencies and Commitments	6	4,402,682	4,516,827

Condensed Interim Balance Sheet

as at March 31, 2010 (Unaudited-note 2.1)

	Note	March 31, 2010 (Rs '000)	December 31, 2009 (Rs '000)
Property, Plant and Equipment	7	1,993,970	2,075,859
Intangibles		19,708	19,708
Long-term Deposits		1,178	1,178
Current Assets			
Stores and spares		221,862	198,796
Stock-in-trade		865,063	1,002,595
Trade debts	8	930,013	887,659
Advances, deposits, prepayments and other receivables		65,686	37,393
Taxation		98,407	63,873
Cash and bank balances		206,795	229,766
		2,387,826	2,420,082
		4,402,682	4,516,827

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Shahid Hussain
Chief Executive


Masaharu Domichi
Director

Condensed Interim Profit and Loss Account

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

	Note	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Sales		2,088,113	1,591,787
Less: sales tax and special excise duty		369,274	283,122
Net sales		1,718,839	1,308,665
Cost of sales	9	1,480,037	1,065,324
Gross profit		238,802	243,341
Distribution cost		32,750	29,863
Administrative expenses		24,155	20,874
		56,905	50,737
Operating profit		181,897	192,604
Other income		9,710	13,244
		191,607	205,848
Finance cost		50,966	68,891
Other expenses		9,704	9,450
		60,670	78,341
Profit before taxation		130,937	127,507
Taxation		43,707	43,925
Profit after taxation		87,230	83,582
Earnings per share - basic and diluted (Rupees)		2.91	2.79

Note: The appropriations from profits are set out in the condensed interim statement of changes in equity.

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shahid Hussain
Chief Executive



Masaharu Domichi
Director

Condensed Interim Statement of Changes in Equity

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

	Share Capital (Rs '000)	General Reserve (Rs '000)	Unappropriated Profit (Rs '000)	Total (Rs '000)
Balance at January 1, 2009	300,000	772,000	240,205	1,312,205
Transfer to general reserve	-	59,000	(59,000)	-
Dividend relating to the year ended December 31, 2008 @ 60%	-	-	(180,000)	(180,000)
Net profit for the first quarter ended March 31, 2009	-	-	83,582	83,582
			-	
			-	
Balance at March 31, 2009	300,000	831,000	84,787	1,215,787
Balance at January 1, 2010	300,000	831,000	465,280	1,596,280
Transfer to general reserve	-	164,000	(164,000)	-
Dividend relating to the year ended December 31, 2009 @ 100%	-	-	(300,000)	(300,000)
Net profit for the first quarter ended March 31, 2010	-	-	87,230	87,230
Balance at March 31, 2010	300,000	995,000	88,510	1,383,510

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.


Shahid Hussain
Chief Executive

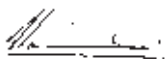

Masaharu Domichi
Director

Condensed Interim Cash Flow Statement

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

	Note	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Cash Flows from Operating Activities			
Cash generated from operations	11	241,226	298,804
Payment of accumulated compensated absences		(1,303)	(1,345)
Staff retirement benefits paid		(2,939)	(2,742)
Income taxes paid		(91,763)	(49,889)
Net cash inflow from operating activities		145,221	244,828
Cash Flows from Investing Activities			
Fixed capital expenditure		(6,944)	(52,048)
Profit on bank balances received		110	24
Sale proceeds on disposal of fixed assets		3,157	-
Net cash outflow from investing activities		(3,677)	(52,024)
Cash Flows from Financing Activities			
Finance cost paid		(70,471)	(71,807)
Long-term finance paid		(108,000)	(108,000)
Dividend paid		(25)	(234)
Net cash outflow from financing activities		(178,496)	(180,041)
Net increase/(decrease) in cash and cash equivalent		(36,952)	12,763
Cash and cash equivalents at the beginning of the period		(376,546)	(352,761)
Cash and cash equivalents at the end of the period	12	(413,498)	(339,998)

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.



Shahid Hussain
Chief Executive



Masaharu Domichi
Director

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

1. Introduction

Tri-Pack Films Limited (the Company) was incorporated in Pakistan as a public company on April 29, 1993 under the Companies Ordinance, 1984 (the ordinance) and is listed on all the stock exchanges in Pakistan. It is principally engaged in the manufacture 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 Presentation

- 2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under section 245 of the Ordinance and the listing regulations of the Karachi, Lahore and Islamabad Stock Exchanges.

The condensed interim financial statements comprise of the condensed interim balance sheet as at March 31, 2010 and the condensed interim profit and loss account, condensed interim statement of changes in equity and the condensed interim cash flow statement for the quarter ended March 31, 2010.

The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2009 has been extracted from the audited financial statements of the Company for the year ended December 31, 2009 whereas the comparative condensed interim profit and loss account, condensed interim statement of changes in equity and condensed interim cash flow statement are for the quarter ended March 31, 2009.

- 2.2 The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2009.

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

3. Long-term Finances

	March 31, 2010 (Rs '000)	December 31, 2009 (Rs '000)
Secured		
Finance 1 - note 3.1	200,000	300,000
Finance 2 - note 3.2	16,000	24,000
Finance 3 - note 3.3	500,000	500,000
	716,000	824,000
Less: Amounts payable within twelve months shown under current liabilities	216,000	216,000
	500,000	608,000

- 3.1 The Company had obtained a long-term finance facility of Rs 1,000 million (December 31, 2009: Rs 1,000 million) from a commercial bank under mark-up arrangements. Mark-up is payable on quarterly basis at the rate of base rate plus 1% per annum. The base rate is the simple average of last three cut-off yields of six months treasury bills of the State Bank of Pakistan. The effective rate of mark-up during the three months was 13.16% (December 31, 2009: 13.85%) per annum. The principal amount is repayable in ten equal semi-annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.
- 3.2 The Company had obtained a long-term finance facility of Rs 100 million (December 31, 2009: Rs 100 million) from a commercial bank under mark-up arrangements out of which the Company has availed Rs 80 million (December 31, 2009: Rs 80 million). Mark-up is payable on quarterly basis at the rate of three months Karachi Inter Bank Offer Rate (KIBOR) plus 1% per annum. The effective rate of mark-up during the three months was 13.33% (December 31, 2009: 14.32%) per annum. The principal amount is repayable in ten equal semi-annual installments commencing after thirty months inclusive of two years grace period from the date of first draw down. This facility is secured by first pari passu hypothecation/mortgage charge on all of the Company's present and future fixed assets including but not limited to land, buildings, plant and machinery, equipment, furniture and fixtures, etc.

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

- 3.3 The Company had obtained a long-term finance facility of Rs 500 million (2009: Rs 500 million) from a commercial bank under mark-up arrangements. Mark-up is payable in arrears on a semi-annual basis at the rate of six months KIBOR plus 0.50 percent per annum. The effective rate of mark-up during the three months was 13.13% (December 31, 2009: 13.37%) per annum. The principal amount is repayable in 8 equal installments commencing after six months with a grace period of two years from the date of first draw down. The facility is secured by first pari passu hypothecation/ mortgage charges on all the Company's present and future assets including but not limited to land, building, plant and machinery, equipment, furniture and fixture etc.

4. Short-term Finances - Secured

Short-term finances are under mark-up arrangement with banks payable on various maturity dates upto August 31, 2010. 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 13.11% to 14.19% (December 31, 2009: 13.37% to 17.67%) per annum. Total facilities available under mark-up arrangements aggregated Rs 2,300 million (December 31, 2009: Rs 2,300 million) out of which the amount unavailed at the period end was Rs 1,680 million (December 31, 2009: Rs 1,694 million).

5. Trade and other Payables

These include Rs 2.763 million (December 31, 2009: Rs 5.085 million) payable to related parties.

6. Contingencies and Commitments

	March 31, 2010 (Rs '000)	December 31, 2009 (Rs '000)
Contingencies		
Guarantees issued by banks on behalf of the Company	30,755	30,755
Commitments		
Letter of credit for purchase of raw material and spares	750,390	584,098

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

- 6.1 The facilities for opening of letter of credits and for guarantees as at March 31, 2010 amount to Rs 4,718 million (December 31, 2009: Rs 4,368 million) and Rs 135 million (December 31, 2009: Rs 135 million), of which the amount remaining unutilized was of Rs 3,206 million (December 31, 2009: Rs 2,671 million) and Rs 104 million (December 31, 2009: Rs 104 million) respectively.

7. Property, Plant and Equipment

	March 31, 2010 (Rs '000)	December 31, 2009 (Rs '000)
Operating fixed assets - note 7.1	1,987,902	2,069,838
Capital work-in-progress	6,068	6,021
	1,993,970	2,075,859

7.1 Operating fixed assets

	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Additions	6,903	48,546
Disposals (having a net book value of Rs 1.193 million (2009: Rs Nil))	4,202	-

8. Trade Debts

Considered good

These include Rs 57.014 million (December 31, 2009: Rs 35.544 million) receivable from related parties.

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

9. Cost of Sales

	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Opening stock of finished goods	36,544	28,599
Cost of goods manufactured - note 9.1	1,474,201	1,059,568
Less: Closing stock of finished goods	(30,708)	(22,843)
	1,480,037	1,065,324
9.1 Cost of goods manufactured		
Opening stock of work-in-process	126,043	103,427
Raw materials consumed - note 9.2	1,153,218	783,597
Salaries, Wages and other benefits	46,316	37,979
Fuel, power and water	97,283	65,033
Packing material consumed	37,485	31,736
Repairs and maintenance	20,932	16,234
Insurance	8,336	6,722
Vehicle running and maintenance	3,838	3,593
Travelling	1,395	1,319
Staff retirements benefits	4,267	2,087
Depreciation	86,232	79,145
Others	326	378
	1,585,671	1,131,250
Less: Closing stock of work-in-process	(111,470)	(71,682)
	1,474,201	1,059,568
9.2 Raw materials consumed		
Opening stock of raw materials	640,419	523,290
Purchases	1,159,249	590,729
Closing stock of raw materials	(646,450)	(330,422)
	1,153,218	783,597

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

10. Transactions with Related Parties

Name and particulars	Nature of transactions	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Purchases of goods and services			
IGI Insurance Limited	Insurance services	43,567	12,262
Mitsubishi Corporation, Japan	Raw material	-	1,808
Packages Limited	Goods and services	6,878	4,639
Siemens Pakistan Engineering Company Limited	Goods and services	3,159	4,956
		53,604	23,665
Sales of goods & services			
Packages Lanka (Pvt) Limited	Supplies	7,034	5,001
Packages Limited	Supplies	115,091	79,030
Tetra Pak Pakistan Limited	Supplies	1,425	1,513
		123,550	85,544
Purchase of an intangible asset			
Siemens Pakistan Engineering Company Limited	Intangible assets (included in CWIP)	-	3,614
Contributions to staff retirement benefit funds			
Gratuity fund	Contribution	898	777
Pension fund	Contribution	2,087	1,920
Provident fund	Contribution	1,273	1,199
		4,258	3,896
Remuneration of key management personnel			
Salaries and other short-term employees' benefits		9,079	8,432
Post employee benefits		1,012	1,003
		10,091	9,435
Other Income			
IGI Insurance Limited	Insurance claim	179	2,579
IGI Insurance Limited	Insurance Commission	3,949	-

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

11. Cash Generated from Operations

	Quarter ended March 31, 2010 (Rs '000)	Quarter ended March 31, 2009 (Rs '000)
Profit before taxation	130,937	127,507
Adjustment for non cash charges and other items:		
Depreciation	87,640	80,385
(Provision written back)/provision for doubtful debts	(174)	930
Provision for retirement benefits	3,802	2,699
Profit on bank balances	(110)	(9,024)
Profit on disposal of fixed assets	(1,964)	-
Provision for accumulated compensated absences	1,950	900
Finance cost	50,966	68,891
Working capital changes - note 11.1	(31,821)	26,516
	241,226	298,804
11.1 Working capital changes		
(Increase) / decrease in current assets:		
Stores and spares	(23,066)	(17,320)
Stock-in-trade	137,532	323,213
Trade debts	(42,180)	16,300
Advances, deposits, prepayments and other receivables	(28,293)	(5,872)
	43,993	316,321
(Decrease) in current liabilities:		
Trade and other payables	(75,814)	(289,805)
	(31,821)	26,516

Notes to and Forming Part of the Financial Statements

For the first quarter ended March 31, 2010 (Unaudited-note 2.1)

12. Cash and Cash Equivalents

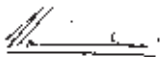
	March 31, 2010 (Rs '000)	March 31, 2009 (Rs '000)
Cash and bank balances	206,795	231,484
Short-term finances – note 4	(620,293)	(571,482)
	(413,498)	(339,998)

13. Plant Capacity and Actual Production

	Quarter ended March 31, 2010 (Metric tonnes)	Quarter ended March 31, 2009 (Metric tonnes)
Operational capacity available during the period	8,700	8,700
Production	8,517	7,525

14. Date of Authorisation for Issue

These financial statements were authorised for issue on April 26, 2010 by the board of directors of the Company.



Shahid Hussain
Chief Executive



Masaharu Domichi
Director